

# Contents

Report to Shareholders	Page	<b>2</b>
Financial Review	Page	<b>4</b>
Operations	Page	<b>6</b>
Electric	Page	<b>8</b>
Natural Gas	Page	<b>12</b>
Looking Ahead	Page	<b>16</b>
Financial Statements	Page	<b>18</b>
Growth Summary	Page	<b>26</b>
Directors and Officers	Page	<b>28</b>

# Highlights

	1974	1973	Increase (Decrease)
Revenues (thousands)			
Natural Gas	\$ 91,486	\$ 82,066	\$ 9,420
Electric	46,295	38,305	7,990
Total	\$137,781	\$120,371	\$17,410
Net earnings (thousands)†	\$ 15,704	\$ 14,375	\$ 1,329
Basic earnings per common share‡	\$ 1.28	\$ 1.15	\$ .13
Dividends paid on common shares (thousands) per share	\$ 5,943 .59	\$ 5,535 .55	\$ 408 .04
Capital expenditures (thousands)	\$ 71,984	\$ 37,988	\$33,996
Customers at year-end			
Natural Gas	353,331	335,494	17,837
Electric	88,822	84,598	4,224
Average annual use per residential customer			
Natural Gas (cubic feet)	208,376	212,300	(3,924)
Electric (kilowatt hours)	6,369	6,069	300

† Includes \$444,000 or \$.04 per share  
as a non-recurring gain upon the sale of  
certain utility distribution facilities.



The Milner Building, location of Canadian Utilities' Edmonton executive offices.

The Alberta economy continued to grow at better than the national rate in 1974, and the company again experienced increased demand for both its electric and gas services.

Revenues of \$137,780,000, up 14 per cent over 1973, were at record levels in both electric and gas operations.

Net earnings from operations were \$15,260,000, or 6 per cent above the prior year and after deducting preferred share dividends, amounted to \$1.24 per common share compared to \$1.15 per share in 1973. An additional 4 cents per share was realized from non-recurring gains from the sale of certain distribution facilities, giving total earnings of \$1.28 per share. The company has paid regular quarterly dividends on its common shares in March, May, August and November each year since 1958. In November, 1974, the quarterly dividend increased to 15 1/2 cents per share, up from 14 1/2 cents per share.

The buoyancy of the company's business environment continues to be outstanding. The Alberta unemployment rate at year end was at the remarkably low level of 3.2 per cent compared to the national rate of 6.1 per cent; the estimated real growth in Gross Domestic Product was 8 per cent compared to Canada's Gross National Product growth of 3.7 per cent; and the increase in the Consumer Price Index in Alberta in 1974 was about one per cent less than for Canada as a whole. Substantial real income gains were realized by a large number of wage-earning Albertans, and farm net income increased an estimated 40 per cent over the previous year.

World need for agricultural and energy resources should provide long-term support for this prosperity, and the recent removal of uncertainty surrounding the Syncrude project, located in the company's service area, reinforces the near-term prospects.

This is a capital-intensive business and substantial new capital continues to be required, the need compounded by construction cost escalation now at an annual rate of about 17 per cent. During the year the company sold \$32,500,000 in long term debt securities, an issue of

\$15,000,000 at 9 1/8 per cent, placed privately in March; and \$17,500,000 at 11 1/2 per cent sold publicly in October. In addition, on January 9, 1975, \$30,000,000 Cumulative Redeemable Second Preferred Shares Series A, carrying a dividend rate of 10 1/4 per cent were sold to the public.

Maintenance of financial integrity through adequacy of earnings is essential for financing on this scale to continue. The Canadian financial market has demonstrated it can supply the necessary capital, without resort to government sources, provided only that the company receives prompt and equitable treatment from the regulatory authorities. Regulatory delay is, however, becoming a matter of greatly increasing concern.

Inflation, particularly high unforeseen inflation, creates regulatory lag because of the greater number of cases to be dealt with by the regulatory boards. At this time the company has major rate applications before the Alberta Public Utilities Board by each of its three operating companies; one of these has been in process for more than twelve months with completion of proceedings not yet in sight. Interim rates have been granted in each instance, significantly sheltering the company from inflation, but it is becoming very apparent that traditional rate hearing procedures were intended for an era when inflation moved at a more leisurely pace. The problem is not, of course, confined to the jurisdictions in which the company operates, it is industry-wide. In 1974 the company joined most other Canadian investor-owned utility companies in a major study commissioned to find ways of improving the regulatory process itself, and the results are awaited with keen interest.

Labour contracts with the gas employee associations and wage rates under the contract with the electric employees association expired at the end of December, 1974. New wage rates under the Agreement with the Alberta Power employees were settled on February 28, 1975. Negotiations with the gas service employees proceeded in an earnest effort by both sides to reach a settlement, but have now been submitted to arbitration.

Field prices of gas are rising sharply. Even so, our consumers, as a result of being located so close to producing areas and, in most cases by also benefitting from a provincial government Natural Gas Rebates Act, still enjoy a considerable advantage in terms of their cost of fuel over those elsewhere in Canada.

At the annual shareholders' meeting on April 29, 1974, W. D. H. Gardiner, Deputy Chairman and Executive Vice President of The Royal Bank of Canada was elected as a new director increasing the size of the board to its present 11 members.

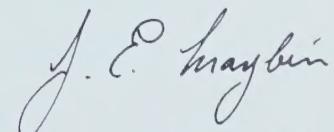
It is noted with regret that R. N. Dalby, upon completion of his 20th year of service later this year, will be leaving the company to accept a consulting assignment and the directors wish to acknowledge their appreciation for his conscientious attention to the affairs of the company, particularly during the past year in his role as Executive Vice President.

Despite the increased rates the company has found it necessary to seek, there is every evidence that both our electric and gas operating subsidiaries continue to enjoy a high degree of public acceptance. This favourable image in large measure is a reflection of the dedication to service shown by our employees and beyond this the contributions which they make towards the betterment of their communities, bringing credit to themselves and the companies with which they are identified.

On behalf of the Board of Directors



E. W. King  
President



J. E. Maybin  
Chairman

March 10, 1975

## REVENUES

As noted in the Report to the Shareholders, total revenues increased significantly in 1974. Natural gas revenues of \$91,500,000 increased over 11 per cent from 1973 and comprised about two-thirds of the consolidated revenues. Electric revenues established a 21 per cent gain over 1973 by contributing \$46,300,000 and in so doing extended their proportion of consolidated revenues from 32 per cent in 1973 to 34 per cent in 1974.

Sustained growth in the Alberta economy coupled with interim electric rates in effect for seven months, and five months of interim gas rates for one operating gas company accounted for much of the gain. Near normal temperatures again prevailed in 1974.

NET EARNINGS	Increase		
	1974	1973	(Decrease)
(Millions of Dollars)			
Natural gas revenues	91.5	82.1	9.4
Electric revenues	46.3	38.3	8.0
Total	137.8	120.4	17.4
Operating costs	104.7	88.5	16.2
Interest and other deductions (net)	14.6	12.2	2.4
Income taxes	2.4	4.5	(2.1)
	121.7	105.2	16.5
Net earnings before minority interests and extraordinary gains	16.1	15.2	0.9
Net earnings	15.7	14.4	1.3

Net earnings before minority interests and extraordinary gains reached \$16,100,000, up 6 per cent from a year earlier. Net earnings of \$15,700,000 includes non-recurring gains of \$400,000 from the sale of certain distribution facilities and represents \$1.28 in terms of basic earnings per share compared to \$1.15 in 1973. On a fully diluted per share basis, 1974 earnings amounted to \$1.08 up from \$0.99 in 1973.

Operating costs increased \$16,200,000 over 1973 to \$104,700,000. Increased costs of gas supplied to customers not fully shielded by the Alberta Government Gas Rebates Plan, and gas cost increases below the 1974 support price level accounted for approximately 25 per cent of the total increase. A further 20 per cent, or \$3,400,000 of the increase, was the result of higher outlays for plant maintenance, purchased power and generating plant fuel costs. Depreciation on new plant installations and municipal taxes represented almost 20 per cent of the increase and amounted to over \$3,000,000.

The rapid growth of the company during a period of high rates of inflation resulted in

increased cost of capital construction at a time when financing this growth was expensive. Total interest costs increased 25 per cent, or, \$3,400,000 in the year. The impact of this change on the earnings of the company was reduced by an accompanying increase of \$800,000 in the interest charged to the cost of the assets under construction.

The provision for income taxes reflects announced federal and provincial tax changes and had the effect of increasing taxes otherwise payable. However, the net result of claiming capital cost allowances associated with major capital programs lowered the effective tax rate to 13 per cent from 24 per cent in 1973.

## CAPITAL PROGRAM

Gross 1974 additions to utility plant rose to \$72,000,000 compared to \$38,000,000 in 1973. Electric utility expenditures amounted to \$45,000,000. It is estimated that 1975 capital expenditures will reach \$67,700,000. Upon completion of the 1975 capital program, the gross fixed assets of the company will have increased by 30 per cent over the balance at the close of 1973.

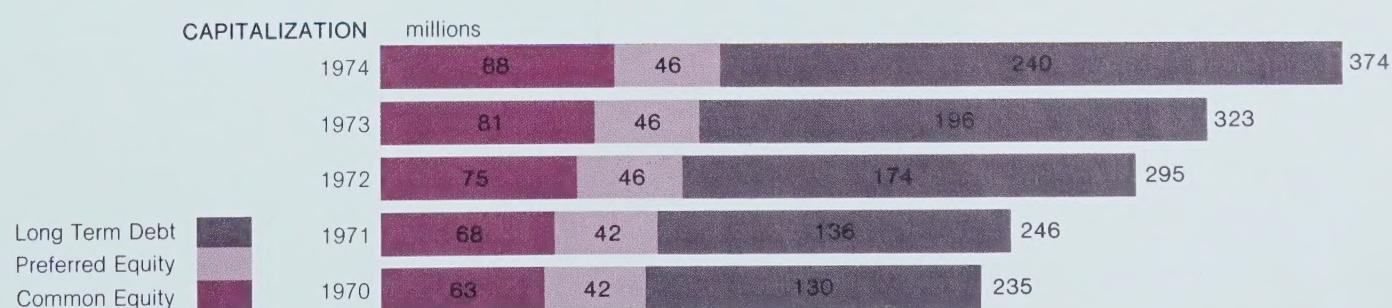
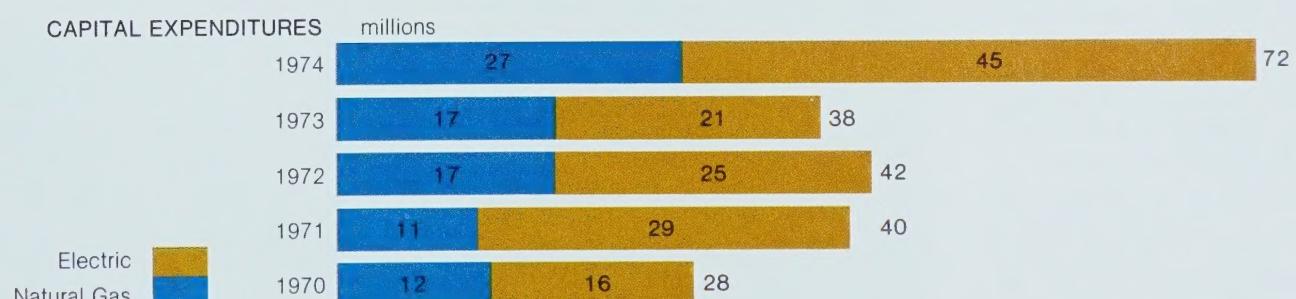
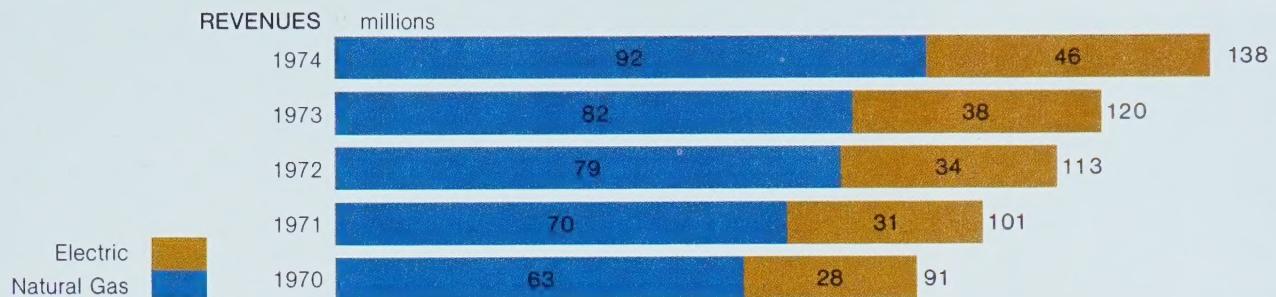
## CASH GENERATION

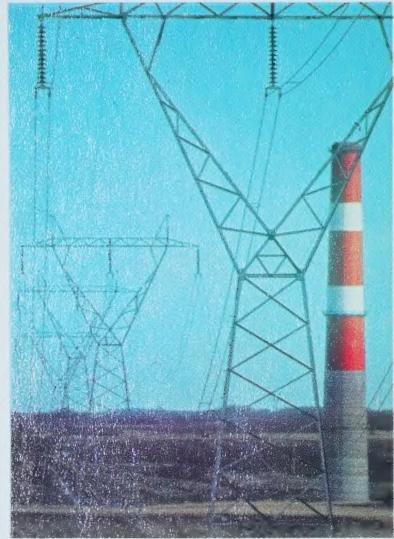
Funds provided from operations amounted to \$28,900,000 in 1974 or \$2.59 per basic common share, excluding extraordinary gains, compared to \$26,900,000 or \$2.40 per basic common share in 1973. Depreciation expense increased \$1,900,000 in 1974 to \$12,900,000. The 17 per cent increase was largely the result of the initial year's depreciation on the H. R. Milner Generating Station commissioned in 1973.

## CAPITALIZATION AND NEW FINANCING

The debt component of permanent capital increased to 64 per cent at the close of 1974 compared to 61 per cent a year earlier and includes \$42,000,000 of notes payable at the close of 1974. The difference between cash requirements and internally generated funds was obtained through issue of long-term debentures totalling \$32,500,000 and the use of bank credit facilities available to the company. Debenture interest rates experienced on new issues averaged 10.3 per cent in 1974, compared to 8.75 per cent in 1973. The company increased its combined commercial paper and bank loans credit facilities to \$60,000,000 during the year, of which \$18,000,000 was unused at year end.

On January 31, 1975 the company reduced outstanding short-term commitments from the proceeds of a \$30,000,000 10 1/4% Cumulative Redeemable Second Preferred Series A share issue.



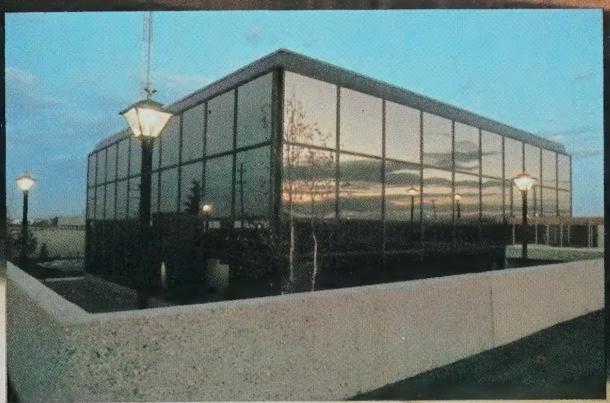


Growth throughout the company's service areas is reflected in a wide range of projects, some of which are highlighted pictorially here and on the pages that follow.

The nerve centre of Northwestern's operations is the modern Control Centre and Number One Gate Station in southeast Edmonton. The interior, showing the main control console, and the exterior of this million dollar facility, which was officially inaugurated October 21, are pictured at right.

The largest single capital project, due to be completed in 1975, is the fourth unit being added to Alberta Power's Battle River power generating station near Forestburg. The 450 foot exhaust stack rising above the banks of the Battle River and the transmission towers leading from the plant are shown above. An overall view of the plant is pictured on page eight against the background of a modern steel substation.





Two other major projects reflect the company's extension of facilities to meet the growing energy needs of its service area. One, the completion of the first phase of Northwestern's 24-inch Homeglen-Rimley pipeline, is shown under construction on page 12. This is the largest diameter transmission line on Northwestern's system.

Alberta Power's 175 mile transmission line to be built from Slave Lake to a point north of Fort McMurray will support the large electrical needs of the Syncrude Canada plant as well as tieing the town of Fort McMurray to the provincial electrical grid. The right-of-way for the line, through the northern muskeg, is seen in the aerial photograph on page 17.

Adding a significant new dimension to the growth pattern of the gas utilities is the extension of service to rural customers. Both companies have pioneered many installation techniques for use of flexible pipe essential to the economics of rural distribution systems. The plowing-in of aluminum pipe is shown in the insert on page 13.

Other photographs, illustrating the company's wide range of facilities and services, and the role of its employees are reflected in the pictorial montage on the cover.

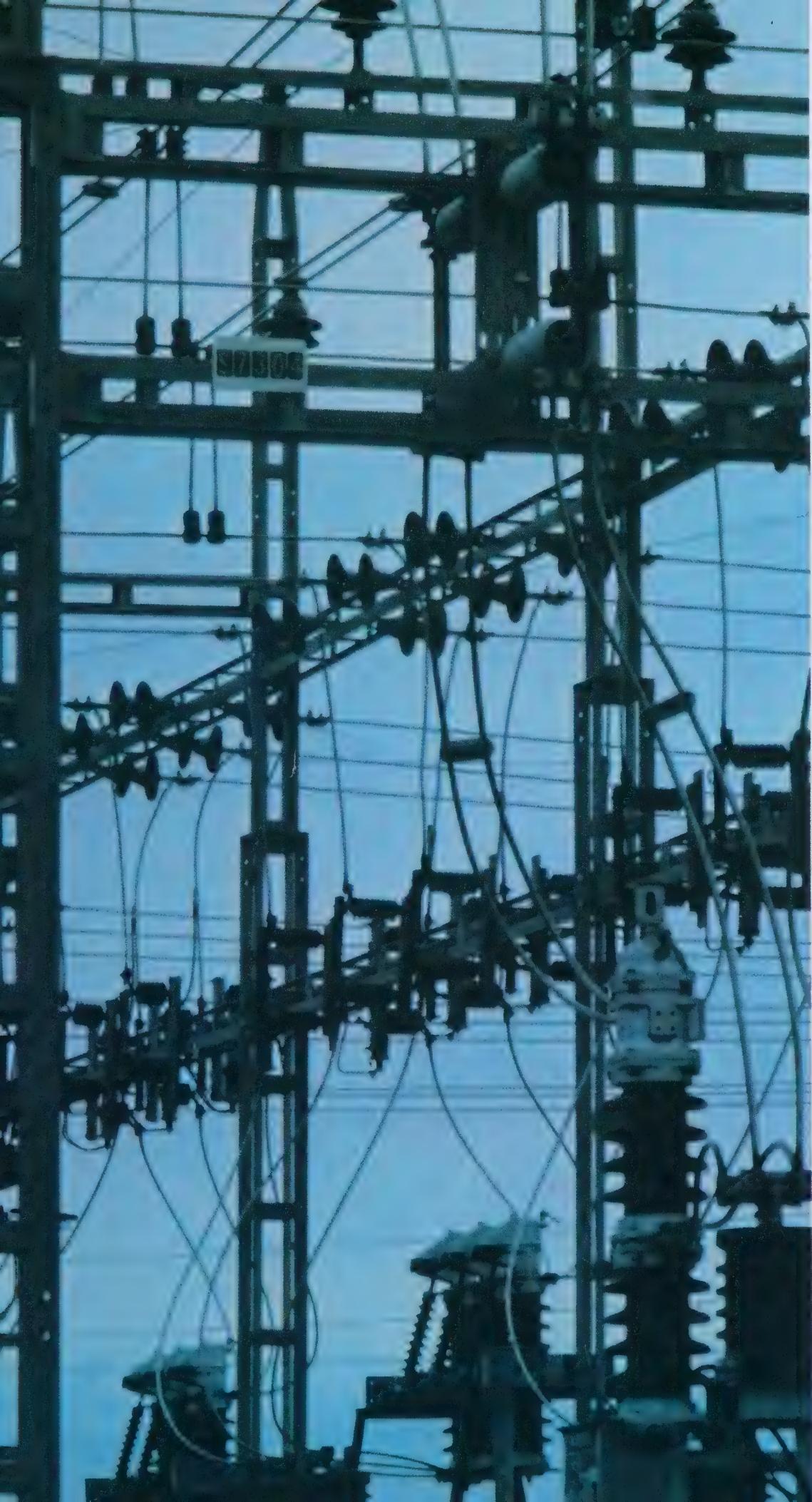


The company, through Alberta Power Limited and its subsidiaries, experienced a 21 per cent increase in revenues from the sale of electricity in 1974 compared to 1973, but the benefits of these higher revenues were largely offset by increased costs for fuel, materials, labor and capital. The buoyant Alberta economy enabled the company to expand to a record 4,224 new customers, compared to 4,106 the previous year. This record was achieved despite the loss of 540 customers with the sale of the Uranium City system in northwestern Saskatchewan.

Revenues from the sale of electricity increased to \$46,300,000 in 1974 compared to \$38,300,000 in 1973. This growth was the result of both increased energy sales and an interim rate adjustment. Energy sales showed an overall increase of 7.7 per cent, but this was below the 17 per cent growth achieved during 1973 and reflected a levelling off in electricity requirements for oil production and a cutback in lumber industry production due to reductions in export sales.

To offset the impact of high rates of inflation, Alberta Power applied to the Alberta Public Utilities Board in February, 1974 for new rates which would increase the company's revenues by 19.3 per cent. An interim increase was granted June 1, subject to the Board's decision at the end of the rate case. These hearings resumed in the fall of





1974 and are not scheduled to be completed until the second quarter of 1975. The Board turned down a request for an additional 12.75 per cent increase which would have involved changes in the company's method of income tax calculation at little ultimate cost to the consumer, but would have increased the company's long-term debt capacity. Continuing inflation will make it necessary for the company to seek further rate relief during 1975.

At the end of 1974 the company provided service to 88,822 customers in 364 communities. Alberta Power serves east-central and northern Alberta, communities in the Northwest Territories including Hay River, and through its subsidiary The Yukon Electrical Company Limited, serves 18 communities including Whitehorse.

The rising cost of fuel for generation is one of the major inflationary pressures faced by the utility. Gas prices have increased sharply as illustrated by the Sturgeon plant which faced a doubling of gas costs when a price agreement expired. The company's major coal-fired Battle River plant is experiencing a 16 per cent increase in the per ton cost of coal and is currently negotiating for additional coal supplies to serve a fifth unit scheduled to be commissioned in 1979 or 1980. In the 35-year period after the fifth unit is completed the Battle River plant will require more than 100 million tons of coal.

Labor costs are also increasing. Alberta Power, which had 887 employees at year-end, renegotiated a wage settlement providing for a three per cent adjustment plus a 15 per cent across the board increase for 1975.

The following table illustrates the growth recorded by the company in various consumer categories and shows the percentage of revenue received from each class of customer:

1974

	Thousands of Kilowatt Hours	Per Cent of Total
Industrial	1,005,120	52
Commercial	332,494	17
Residential	322,600	17
REA and others	260,194	14
	1,920,408	100

1973

	Thousands of Kilowatt Hours	Per Cent of Total
Industrial	978,322	55
Commercial	296,999	17
Residential	289,342	16
REA and others	218,245	12
	1,782,908	100

Electric sales to all classes of customers continued to grow during 1974, but increased sales to the industrial sector were slight. Reduced oil production, together with a decline in new oil and gas discoveries which comes with the maturing of the Alberta oil industry, were major factors in the reported slowdown in industrial sales. This condition was offset in part by increased sales to residential and commercial customers. Alberta Power experienced its best year since 1967 for new farm services with a net increase in farm customers of 426.

#### Alberta Power Market Growth

Alberta's buoyant economy sustained electrical sales increases in excess of 11 per cent to both the commercial and residential sectors during 1974. The strongest growth centre was Fort McMurray where energy sales increased by 36 per cent, and building permits grew almost seven-fold to \$41 million as workers rushed in to develop the Athabasca oil sands. The North Division showed steady growth because of new pulp production operations and general forestry related development. Sales to the oil and gas industry continued to be the company's main source of revenues and contributed 81 per cent to total industrial sales. The revenue from sales of electrical energy to the petroleum industry, primarily for oilfield pumping, increased to \$13,005,000 from \$9,960,000 the previous year. The levelling of conventional crude oil production in Alberta directly affects the growth of sales to this category of industrial customer. Sales to this market are expected to remain high however, as more energy per barrel of oil produced will be required. Despite postponed exploration and development programs during 1974, the number of oilfield pumping loads increased by 14.8 per cent over 1973.

Major industrial projects are being planned

or are being constructed in Alberta Power's service area, including a gas processing plant at Keg River, an aspen board plant at Slave Lake, a Department of Lands and Forests tree nursery station at Smoky Lake, alfalfa pelleting plants at Wanham and Falher and rapeseed processing plants at Lloydminster and Sexsmith.

All these industrial projects are overshadowed by the Syncrude Canada Ltd. \$2 billion oil sands project in the northeast section of the Alberta Power service area.

During 1974 Alberta Power's isolated power plant in Fort McMurray had a 60 per cent increase in peak load and the company is planning to install four portable generating units to supply the immediate load growth. Planning is largely completed and work has started on construction of a major transmission line which will connect Fort McMurray and the Syncrude plant to the company's Mitsue substation on the provincial grid some 175 miles away.

Alberta's agricultural industry, although suffering some short-term problems, remained strong during 1974. Farm cash receipts increased 32 per cent to \$1.6 billion during the year. The company's East and North Divisions cover 28 per cent of the farm customers in Alberta. In the City of Lloydminster the value of building permits increased 115 per cent during 1974 over 1973 to \$13.3 million.

Indicative of the maturing status of Grande Prairie was the completion of the Grande Prairie Regional College. This institution which will serve the whole Peace River block, is providing a balance to this city's resource-based economy. In recent years Grande Prairie has experienced rapid growth, primarily associated with the opening, in 1973, of the Procter and Gamble cellulose pulp mill.

Hay River in the Northwest Territories continued to show the growth that stems from its position as the railhead of the Great Slave Lake Railway and the gateway to the mighty Mackenzie River waterway.

Increases in the cost of diesel fuel made it necessary for the company to apply in January 1975 for a 28 per cent rate increase for Hay River, Enterprise and Fort Providence. The application to the Public Utilities Board in the Northwest Territories asks that the increases go into effect April 1.

The Yukon Electrical Company had an eight per cent increase in kilowatt hour sales, a nine per cent increase in peak demand, and a five per cent increase in its number of customers during 1974. The major centre of activity is in the Whitehorse area where two

franchises expired during 1974 and negotiations for their renewal are continuing. The company purchases most of its electrical energy requirements for the Whitehorse area from the Northern Canada Power Commission. Early in 1975 the Commission announced a 16 per cent rate increase and Yukon Electrical has filed for new consumer rates, reflecting this power cost increase.

During 1974 Alberta Power sold its Uranium City generating facilities and distribution system to the Saskatchewan Power Corporation. At the time of the sale this isolated system served 540 customers.

#### New Construction

The company's 1974 electric operations required a construction program totalling \$45 million, of which \$26 million or 58 per cent was spent on new generating facilities at the Battle River station. Transmission and distribution facility expenditures amounted to \$13.5 million.

Construction of the fourth generating unit at Battle River moved into the major equipment installation stage during the year. This 150,000 kilowatt unit will be brought into commercial operation during the last quarter of 1975. The addition is expected to cost in excess of \$57 million. Construction of an electrostatic precipitator and a new 450-foot stack to meet tighter environmental standards were completed in 1974 at a cost of \$12 million.

The company's transmission system was expanded in 1974 with a 21-mile, 72,000 volt line from Fairview to Hines Creek to supply a large new sawmill. Another 30 miles of 72,000 volt line was reconducted to improve voltage and reduce line losses in the Castor area. Alberta Power's portion of a 240,000 volt transmission line from the Battle River power station to Metiskow was completed to maintain voltage levels and improve reliability in the central part of the company's East Division. The line is being built jointly with Calgary Power.

During 1975 the main transmission interconnections to Calgary Power Ltd.'s system for both the North and East Divisions are to be converted from 144,000 volts to 240,000 volts. This project is designed to strengthen the provincial grid. The conversion to higher voltage will require \$1.5 million of substation work at the Mitsue, Nevis and Battle River substations.

The company is currently building a new natural gas fired generating plant at the resort town of Jasper in Jasper National Park. A fire on February 20, 1974 destroyed all but one of the generating units serving Jasper. Through a major effort by personnel from all areas of the company's operation, full service was restored to the town within 48 hours after the fire started. The company received approval from the Energy Resources Conservation Board to build a new 8,400 kilowatt generating station. The new plant is scheduled to be commissioned in April 1975. The company expects to recover its loss through its insurance underwriters.



#### ELECTRIC SYSTEM

##### AREAS SERVICED BY ALBERTA POWER LIMITED

- MAJOR COMPANY TRANSMISSION LINES
- MAJOR COMPANY TRANSMISSION LINES UNDER CONSTRUCTION
- GENERATING PLANTS
- POWER LINES OWNED BY OTHERS



The company's gas operations added a record 17,837 new customers during 1974. At year-end Canadian Western Natural Gas Company Limited and Northwestern Utilities Limited were providing natural gas service to 353,331 customers. Canadian Western, with 701 employees at year-end, serves the southern half of Alberta. Northwestern, with 707 employees, serves north-central Alberta. Dawson Creek and district in northeastern British Columbia is served by Northland Utilities (B.C.) Limited. In all, 254 communities were linked to the company's system at year-end.

Increasing energy costs, together with inflationary pressures on the cost of labour, materials and capital, were paramount concerns to the gas companies during 1974 and both companies appeared before the Alberta Public Utilities Board during the year for rate adjustments to offset these increasing costs. Rate adjustments were also required from the B.C. Energy Commission for the Dawson Creek area.

The Public Utilities Board granted Canadian Western an interim rate increase effective August 1, 1974 forecast to increase Canadian Western's revenue by about \$2.7 million in 1974 and \$6.8 million in 1975. Northwestern applied for and





received approval of an interim increase in rates effective January 1, 1975 which is forecast to increase its revenue by about \$6 million during 1975. A rate increase was also granted by the B.C. Energy Commission to Northland Utilities (B.C.) Limited which serves the Dawson Creek area in British Columbia. This rate increase reflected only the increased costs of gas to the company from its supplier.

Revenues from natural gas sales increased 11.5 per cent or \$9,420,000 over 1973 to \$91,486,000 in 1974. Part of the increase is attributed to increases of 1.5 billion cubic feet in natural gas sales. However, most of the revenue increase was offset by the increasing cost of natural gas supply.

On July 2, 1974 the government passed The Natural Gas Rebates Act in order to shelter Alberta gas consumers from the full impact of significant gas price increases arising out of Alberta seeking commodity value for its natural gas resources. The rebates program was made effective January 1, 1974. Under the plan, small residential and commercial consumers are completely shielded. Special provisions may apply on natural gas sold to consumers using in excess of 1 billion cubic feet of natural gas annually and on sales to those using natural gas for generating electric power.

During 1974 the Rebates Plan shielded residential and commercial customers from the impact of gas field prices in excess of a provincial support price of 16.7 cents per thousand cubic feet. Permission was given in August and November to pass increases on to large industrial consumers and Edmonton Power who were only partially shielded by the Rebates Plan.

In addition to the general increases Canadian Western and Northwestern received interim approval to recover \$3.7 million in non-rebatable gas cost increases from large industrial consumers to compensate the company for increased gas supply costs not sheltered under the provincial government's Gas Rebates Plan.

The continuing increase in natural gas field prices will result in additional sharp price increases to large industrial customers during 1975. Those customers protected under the Gas Rebates Plan will have higher fuel costs as the provincial government raises the existing support price tied to inflation and escalation of the market value of the depleting resource.

The volume of natural gas sold by class of customer is shown in the following table:

1974	Billions of Cubic Feet	Per Cent of Total
Residential	64	27
Commercial	71	29
Industrial	107	44
	242	100

1973	Billions of Cubic Feet	Per Cent of Total
Residential	62	26
Commercial	68	28
Industrial	110	46
	240	100

A drop in industrial sales in 1974 was the result of Canadian Western discontinuing a short term sale for compressor and plant fuel on the Trunk Line system and the termination of a special sale by Northwestern to Imperial Oil for their miscible flood scheme at Golden Spike. Northwestern is continuing to supply gas to Imperial for their Golden Spike scheme under a transportation exchange arrangement. Excluding these two sales, other industrial sales increased by eight per cent during the year. Sales for the year were adversely affected by slightly warmer than normal temperatures.

#### Natural Gas Market Growth

The extent of this growing market is indicated by the growth of Alberta's two largest cities during 1974. Metro Edmonton became the first metro area between Vancouver and Toronto to issue more than \$300 million in permits in one year. Edmonton's total of \$360 million was almost double the \$186 million issued the previous year. Calgary's building permits increased to \$273 million, up from \$242 million in 1973.

During the year construction began on Edmonton's \$50 million rapid transit system and on the \$35 million Kingsway Garden Mall shopping centre. The first stage of the \$100 million Edmonton Centre project and the \$16 million Edmonton Plaza Hotel were opened during the year. The \$15 million Edmonton Coliseum and the \$26 million Stelco steel making plant were completed in the fourth quarter of 1974.

Calgary was the scene of substantial new development. The first phase of the \$80 million Terrace Garden office complex was completed and construction began on the \$100 million Rank City commercial complex. Calgary's new \$32 million downtown Convention Centre also opened during the year.

The City of Lethbridge also showed a dramatic increase in building permits issued. Permits totalled \$42.5 million in 1974 compared to \$28.5 million the previous year.

The Alberta Government has issued industrial development permits to Canadian Fertilizers Limited for a new fertilizer plant at Medicine Hat and to Cominco Limited for a fertilizer plant near Carseland. Each of these new plants, to be supplied by Canadian Western, will require a natural gas supply of 50 million cubic feet per day when they begin operation in late 1975 or early 1976.

As a consequence of the start on the \$2 billion Syncrude oil sands plant in late 1973, Fort McMurray showed the fastest rate of growth in the company's gas service area with 1,018 new customers being added.

The natural gas subsidiaries continued to participate in the Alberta Government's rural gas service program. This program is aimed at bringing natural gas service to the majority of rural residents. Natural gas service was extended to a record 2,200 new rural customers during the year with even larger numbers of new rural customers predicted for 1975.

#### New Construction

Capital expenditures for the year reached a record level of \$27 million, compared with \$17 million during 1973. The abnormally high rate of inflation, reflected in the cost of labor, steel and plastic pipe and other materials, was a major factor in the increased construction expenditure.

To increase the reliability of gas deliverability to Edmonton during 1974, Northwestern opened a new \$1 million gas dispatching station in southeast Edmonton. This main control centre receives continuous pressure and flow data from key points on the pipeline system.

The major undertaking in the 1974 construction program was the completion of the first section of 24-inch diameter transmission line to Edmonton from the Alberta Gas Trunk Line. This first section, built at a cost of \$3 million, connects Trunk Line's export facilities at Homeglen-Rimbey to Northwestern's Bonnie Glen transmission

line which transports natural gas to Edmonton.

#### Gas Supply

The cost of the company's gas supply rose to \$40,179,000 in 1974 from \$35,907,000 in 1973. The 1974 cost does not include gas supply costs covered by the provincial government's Gas Rebates Plan which currently shields residential and commercial customers from natural gas costs above 16.7 cents per million BTUs. Large industrial customers are only partially shielded by the rebate program, therefore the cost of gas to these customers rose dramatically in 1974 and further increases are expected in 1975.

The company has applied to the Public Utilities Board for approval of a gas adjustment provision allowing the company to adjust rates to reflect the rapid changes experienced in gas supply costs. Interim approvals were obtained from the Public Utilities Board for the gas cost adjustment for Canadian Western and an application has been made for Northwestern.

The table below shows gas volumes obtained from various supply sources in 1974:

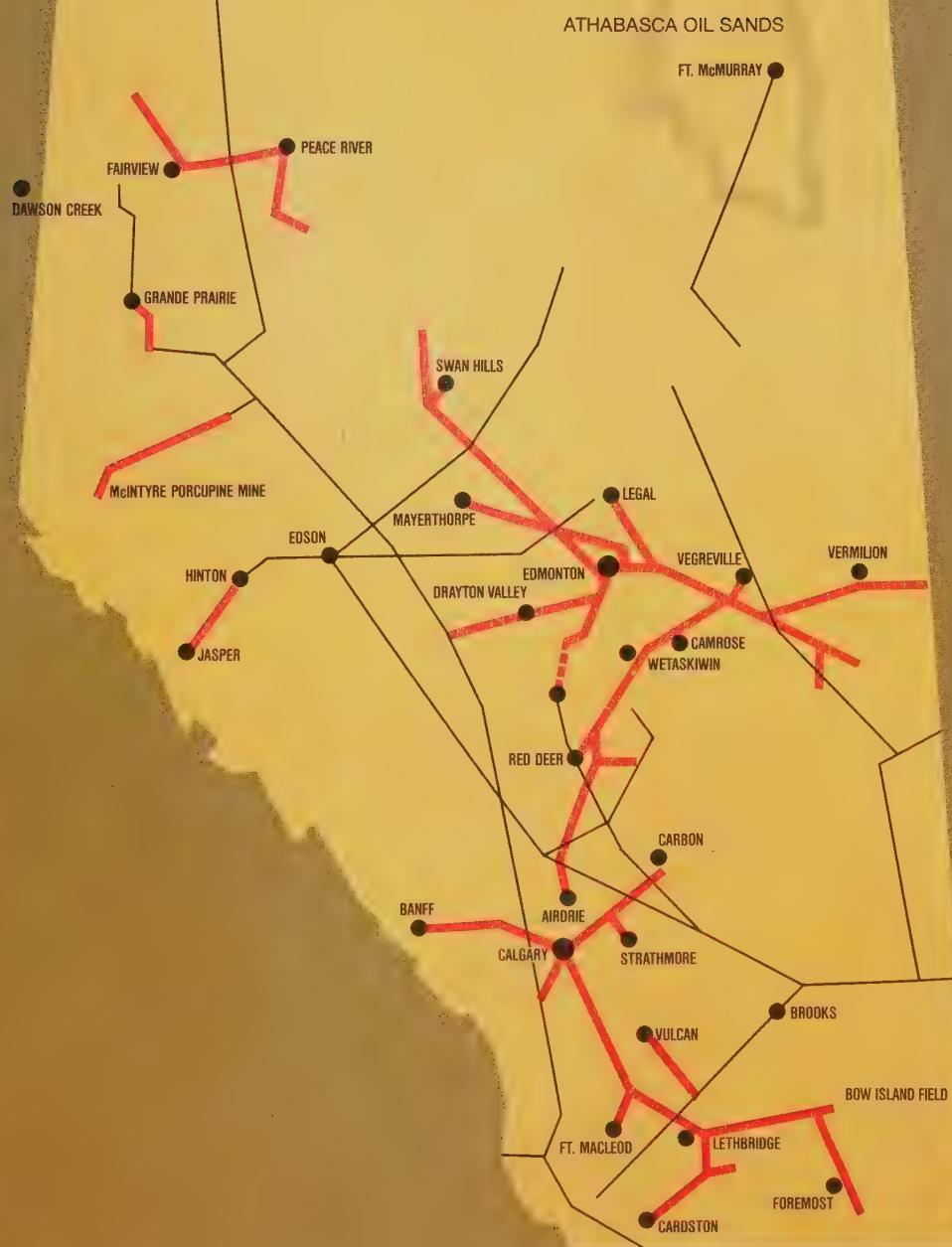
	Per Cent of Total Supply
Oilfield and gas plants	48
Dry gas fields	27
Export companies	19
Pipeline companies	6
	100

The Northwestern system obtained 34 per cent of its annual requirements from principally company-owned gas reserves in Viking-Kinsella, Beaverhill Lake, Fort Saskatchewan, Fairydell-Bon Accord and other dry gas fields. Canadian Western's dry gas storage reservoirs at Carbon and Bow Island were capable of supplying 30 per cent of its total system demand.

To meet its future gas requirements the company is continuing its policy of contracting for economic supplies of gas from others. In addition, the company is continuing a modest exploration program for new gas reserves and for the development of additional deliverability of company-owned reserves.

During the year the company contracted for 397 billion cubic feet of new gas supplies in the Sedalia, Paddle River, Opal-Redwater and the Hairy Hills areas. To ensure the continued deliverability of gas supplies and the development of additional gas reserves in fields where gas is currently purchased, the company has renegotiated the price paid producers under the majority of present supply contracts.

# ALBERTA



Over the years the company has made agreements with the four principal gas export companies, TransCanada Pipelines Limited, Alberta and Southern Gas Co. Ltd., Consolidated Natural Gas Limited and Westcoast Transmission Company Limited, enabling the company to call upon these exporters for sizeable quantities of base and peak load gas supplies as required for Alberta consumers. During the year the company made purchases of substantial volumes of gas under its contracts with the export companies.

Exploratory drilling by the company resulted in one successful well out of three ventures attempted. The successful test at Fairy Dell-Bon Accord discovered a new gas zone.



## NATURAL GAS SYSTEM

CANADIAN WESTERN NATURAL GAS COMPANY LIMITED

NORTHWESTERN UTILITIES LIMITED

MAJOR COMPANY PIPELINES

MAJOR COMPANY PIPELINES UNDER CONSTRUCTION

MAJOR PIPELINES OWNED BY OTHERS



**Electric** — Oil sands development is expected to spark massive and continuous industrial growth not only in the Athabasca oil sands area, but also along the northeast transportation and development corridor between Fort McMurray and Edmonton which has recently been approved by the provincial government. Proposals have already been made for the construction of a pipeline, two oil refineries, and several petrochemical plants along this corridor. Approximately half the length of the corridor and many of the major industrial sites are located within the existing Alberta Power service area.

Survey work including aerial photography and a computer study of soil conditions and transmission line requirements, were carried out on the 170-mile, 240,000 volt line proposed from the Mitsue substation on the provincial grid to the Syncrude Canada Ltd. oil sands plant at Mildred Lake. The \$12.7 million transmission line will tie the Syncrude plant and Fort McMurray to the Alberta grid. During 1974 brush clearing contracts were let, and \$5 million worth of materials were ordered for this transmission line. The first of the material for construction arrived before year-end, and crews began clearing the brush from the right-of-way. The company expects to have the first phase of this line operating in 1976 at 144,000 volts and have it increased to 240,000 volts by the following year.

Early in 1974 the company applied to the Alberta Energy Resources Conservation Board for approval to install a fifth unit at its Battle River generating station. The Electric Utility Planning Council, which involves all Alberta's electric utilities in co-ordinating expansion for future requirements, agreed the Battle River expansion will be required to meet provincial power needs by 1979 or 1980. The company proposes to build a 375,000 kilowatt unit which would be in service when required. Discussions are under way with other major Alberta electric utilities for the sharing of this facility which is estimated to cost \$150 million.

The company proceeded with its planning to tie its isolated generating plant at Hay River in the Northwest Territories to the Alberta grid. The proposed transmission line would extend from Alberta Power facilities at High Level to the Northern Canada Power Commission facilities at Pine Point and from there to Hay River. Approvals for the scheme have been granted in Alberta. Negotiations relating to that portion of the system north of the 60th parallel are being carried forward with federal authorities.

**Natural Gas** — The company is actively seeking to provide certain utility services for new industrial developments, including the purchase of required gas supplies from producers. The increased industrial revenues from these new customers will provide a partial offset to rising costs of salaries, supplies and materials and will help to stabilize rates to all the company's customers.

Growing fertilizer requirements to meet needs of both Canadian and offshore markets, promise to foster industrial development. The company made agreements to provide gas feedstock supply for two new fertilizer plants in southern Alberta, each of which will require about 50 million cubic feet per day when they begin production in late 1975 or 1976. One plant, Canadian Fertilizers Limited, has applied for a further industrial permit to expand its Medicine Hat fertilizer complex. This expansion is planned for completion by 1978 and would require an additional gas supply of 100 million cubic feet per day.

The fields currently supplying the company's gas requirements are experiencing a predictable decline in producing rates as reserves are being depleted. To replace this decline in productivity and to provide service to new customers the company must continue to contract for new gas supplies and expand facilities to bring the new gas supplies to market.

During 1974 the company constructed 24 miles of 24-inch pipeline to connect the Alberta Gas Trunk system at Homegrown-Rimbev to Northwestern's existing transmission facilities. When this 24-inch line is ultimately extended to Edmonton a total increase in deliverability to the Edmonton area of 600 million cubic feet per day will be possible. This volume of gas is more than 75 per cent of the present peak demand for this area.

With a view to meeting longer term gas supply requirements, the company is one of the participants in the Canadian Arctic Gas Study Limited group which is studying the feasibility of bringing Mackenzie Delta gas reserves to markets in southern Canada.

The company continues to be a leader in Canada in the use of natural gas-fueled vehicles. By the end of 1974 it had converted 127 of its service fleet to dual fuel vehicles capable of using either natural gas or gasoline. As part of the continuing program to reduce the cost of service to rural areas the company successfully installed 48 miles of coil aluminum pipe during 1974.



# Statement of Earnings

Canadian Utilities Limited / Consolidated Statement for Year Ended December 31, 1974

	Thousands	
	1974	1973
<b>NATURAL GAS REVENUES</b>	\$ 91,486	\$ 82,066
<b>ELECTRIC REVENUES</b>	46,295	38,305
	<b>137,781</b>	<b>120,371</b>
 <b>OPERATING EXPENSES (NOTE 1)</b>		
Natural gas supply	40,179	35,907
Operating and maintenance	43,572	34,729
Taxes — other than income	8,035	6,829
Depreciation	12,906	11,019
	<b>104,692</b>	<b>88,484</b>
 <b>OPERATING INCOME</b>	<b>33,089</b>	<b>31,887</b>
 <b>OTHER INCOME</b>		
Interest capitalized during construction	1,601	785
Interest and dividends	223	208
Gain on purchase of long-term debt	286	328
Miscellaneous	464	253
	<b>2,574</b>	<b>1,574</b>
	<b>35,663</b>	<b>33,461</b>
 <b>INCOME DEDUCTIONS</b>		
Interest on long-term debt	13,902	11,931
Interest on loans from parent and affiliated companies	262	371
Other interest	2,691	1,153
Debt discount and expense amortized	272	235
	<b>17,127</b>	<b>13,690</b>
	<b>18,536</b>	<b>19,771</b>
 <b>INCOME TAXES (NOTE 2)</b>	<b>2,416</b>	<b>4,536</b>
	<b>16,120</b>	<b>15,235</b>
 <b>MINORITY INTERESTS</b>	<b>860</b>	<b>860</b>
 <b>NET EARNINGS BEFORE EXTRAORDINARY ITEMS</b>	<b>15,260</b>	<b>14,375</b>
 <b>EXTRAORDINARY ITEMS — NON-RECURRING GAINS (NOTE 3)</b>	<b>444</b>	
 <b>NET EARNINGS</b>	<b>\$ 15,704</b>	<b>\$ 14,375</b>
 <b>EARNINGS — DOLLARS PER COMMON SHARE</b>		
Basic		
Net earnings before extraordinary items	\$ 1.24	\$ 1.15
Extraordinary items — non-recurring gains	.04	
Net earnings	<b>\$ 1.28</b>	<b>\$ 1.15</b>
Fully diluted (Note 4)		
Net earnings before extraordinary items	\$ 1.05	\$ .99
Extraordinary items — non-recurring gains	.03	
Net earnings	<b>\$ 1.08</b>	<b>\$ .99</b>

See accompanying summary of significant accounting policies and notes to consolidated financial statements.

# Balance Sheet

Canadian Utilities Limited / Consolidated Statement — December 31, 1974

## ASSETS

	Thousands	
	1974	1973
<b>CURRENT ASSETS</b>		
Cash	\$ 36	\$ 502
Marketable securities — at cost (market value 1974 - \$466; 1973 - \$654)	522	522
Accounts receivable (Note 5)	33,248	15,491
Materials and supplies — at average cost	9,546	5,313
Prepaid expenses	1,699	534
	<u>45,051</u>	<u>22,362</u>
<b>TRUST ASSETS HELD FOR RURAL CO-OPERATIVE LINES, PER CONTRA</b>	6,572	6,136
<b>TRUST ASSETS HELD FOR INCOME TAX REBATE FOR CONSUMERS, PER CONTRA</b>	2,153	
<b>ACCOUNTS RECEIVABLE DUE BEYOND ONE YEAR</b>	1,394	1,194
<b>PROPERTY, PLANT AND EQUIPMENT AT COST (NOTE 6)</b>	538,665	470,308
Accumulated depreciation	125,191	114,547
	<u>413,474</u>	<u>355,761</u>
<b>UNAMORTIZED DEBT DISCOUNT AND DEFERRED EXPENSES (NOTE 7)</b>	6,365	5,086
<b>GOODWILL</b>	533	547
	<u>\$475,542</u>	<u>\$391,086</u>

## LIABILITIES AND SHAREHOLDERS' EQUITY

### CURRENT LIABILITIES

Due to bank and notes payable	\$ 6,057	\$ 26,473
Accounts payable and accrued liabilities	37,159	16,139
Owing to parent and affiliated companies	45	3,609
Long-term debt — current maturities (Note 9)	4,252	2,242
Deposits	1,521	1,173
Income and other taxes	3,530	3,482
	<u>52,564</u>	<u>53,118</u>

### AMOUNTS HELD IN TRUST, PER CONTRAS

MISCELLANEOUS LIABILITIES	8,725	6,136
NOTES PAYABLE (NOTE 8)	1,011	1,037
NOTE PAYABLE TO AFFILIATED COMPANY, 7 1/2%, due November 15, 1978	42,078	
LONG-TERM DEBT (NOTE 9)	3,500	194,535
DEFERRED INCOME TAXES (NOTE 2)	1,187	1,428
CONTRIBUTIONS FOR EXTENSIONS TO PLANT	18,110	14,437
MINORITY INTERESTS (NOTE 10)	20,008	20,008

### SHAREHOLDERS' EQUITY (NOTE 9)

Preferred shares (Note 11)	45,953	46,058
Common shares (Note 12)	65,429	65,324
	<u>111,382</u>	<u>111,382</u>
Less excess value of shares of subsidiary companies over underlying net book value at December 31, 1971	17,567	17,567
	<u>93,815</u>	<u>93,815</u>
Retained earnings	40,009	33,595
	<u>133,824</u>	<u>127,410</u>
	<u>\$475,542</u>	<u>\$391,086</u>

See accompanying summary of significant accounting policies  
and notes to consolidated financial statements

On behalf of the Board:

J. E. Maybin / Director

F. T. Jenner / Director

# Statement of Changes in Financial Position

Canadian Utilities Limited / Consolidated Statement for Year Ended December 31, 1974

	Thousands	
	1974	1973
<b>SOURCES OF WORKING CAPITAL</b>		
Net earnings before extraordinary items	\$ 15,260	\$ 14,375
Add non-cash items, principally depreciation	13,631	12,568
Provided from operations	28,891	26,943
Increase in notes payable	42,078	
Note payable to affiliated company	3,500	
Issue of long-term debt	31,971	14,850
Issue of common shares	105	22
Increase in contributions for extensions to plant	3,673	1,740
Disposition of property, plant and equipment	1,669	1,571
Extraordinary disposition of property, plant and equipment	1,048	
	<u>112,935</u>	<u>45,126</u>
<b>USES OF WORKING CAPITAL</b>		
Purchase of property, plant and equipment	72,888	38,061
Reduction in long-term debt	5,477	3,446
Dividends paid — preferred	2,781	2,787
— common	5,943	5,535
Redemption of \$1.25 preferred shares	105	20
Increase in deferred expenses	1,686	1,874
Other	812	149
	<u>89,692</u>	<u>51,872</u>
<b>INCREASE (DECREASE) IN WORKING CAPITAL</b>		
	<u><u>\$ 23,243</u></u>	<u><u>\$ (6,746)</u></u>
<b>ANALYSIS OF CHANGES IN WORKING CAPITAL</b>		
Cash	\$ (466)	\$ (152)
Accounts receivable	17,757	1,335
Materials and supplies	4,233	465
Prepaid expenses	1,165	162
Total	<u>22,689</u>	<u>1,810</u>
Due to bank and notes payable	(20,416)	7,973
Accounts payable and accrued liabilities	21,020	2,064
Owing to parent and affiliated companies	(3,564)	(1,424)
Long-term debt — current maturities	2,010	(911)
Deposits	348	118
Income and other taxes	48	736
Total	<u>(554)</u>	<u>8,556</u>
<b>INCREASE (DECREASE) IN WORKING CAPITAL</b>		
	<u><u>\$ 23,243</u></u>	<u><u>\$ (6,746)</u></u>

See accompanying summary of significant accounting policies and notes to consolidated financial statements.

# Statement of Retained Earnings

Canadian Utilities Limited / Consolidated Statement for Year Ended December 31, 1974

	Thousands	
	1974	1973
<b>BALANCE AT BEGINNING OF YEAR</b>	<b>\$33,595</b>	<b>\$27,542</b>
<b>ADD NET EARNINGS</b>	<b>15,704</b>	<b>14,375</b>
	<b>49,299</b>	<b>41,917</b>
<b>DEDUCT</b>		
Dividends		
5% cumulative redeemable preferred shares	200	200
Cumulative redeemable preferred shares		
4 1/4% series	64	64
6% series	300	300
\$1.25 cumulative redeemable convertible preferred shares	2,217	2,223
Common shares	5,943	5,535
	8,724	8,322
Provision for taxes on 1971 undistributed income on hand	566	566
	9,290	8,322
<b>BALANCE AT END OF YEAR</b>	<b>\$40,009</b>	<b>\$33,595</b>

See accompanying summary of significant accounting policies and notes to consolidated financial statements.

## Summary of Significant Accounting Policies

### Basis of consolidation

The consolidated financial statements include the accounts of the company and all subsidiary companies. All material inter-company balances and transactions have been eliminated.

### Property, plant and equipment

Property, Plant and Equipment includes cost of land, buildings and equipment. Certain additions to Property, Plant and Equipment are made with the assistance of cash contributions from the customers who are to be served by the specific additions. Such contributions are required where the estimated revenue, over a specific period of time, is less than the cost of providing service or where special equipment is needed to supply the customers' specific requirements. The gross cost of additions including any allowance for funds used during construction is included in Property, Plant and Equipment.

Depreciation is provided on pooled assets at composite rates on a straight line basis over the average estimated useful lives of the assets. This is in accordance with the orders of regulatory bodies. Effective rates are approximately 3% per annum on the gross plant with the exception of certain resource properties which are depreciated in part on a unit withdrawal basis.

On retirement of depreciable plant, the accumulated depreciation is charged with the cost of the retirement unit less net salvage. Gains and losses on extraordinary retirements such as the sale of plant are recognized as extraordinary items in the financial statements.

### Unamortized debt discount and deferred expenses

Expenses incurred in connection with the issue of long-term debt are amortized over the period that related

obligations are outstanding.

Deferred charges relating to gas exploration include all expenditures related to the development of gas reserves. Costs resulting in a successful venture are capitalized and depreciated on a unit of production method. Where no economic reserves are located, costs are charged to operations.

### Goodwill

Goodwill consists of the excess value of shares issued over the underlying net book value of shares acquired in 1972 from minority shareholders of a subsidiary company and is being amortized over a period of 40 years.

### Income taxes

In fixing rates, except for the matters referred to in the succeeding paragraph, the Public Utilities Board of Alberta permits the utility companies to recover only taxes payable currently and, accordingly, to the extent that capital cost allowances are claimed in excess of the depreciation recorded in the accounts, there has been a related reduction in the amount of income taxes otherwise payable.

However, the gas subsidiaries are permitted to claim deferred income taxes in respect to the acquisition of natural gas rights. At the specific request of the major communities served they have agreed, with effect from January 1, 1967, to amortize such deferred taxes by reducing the annual provisions for income taxes over a ten year period. Since 1973 the gas subsidiaries have recorded deferred income taxes arising from expenses in connection with the Gas Arctic-Northwest Project Study Group, as referred to in Note 7, and at December 31, 1974 have recorded current deferred income taxes with respect to increased gas costs to be recovered from customers in 1975.

# Notes to Financial Statements

Canadian Utilities Limited / Consolidated Statement — December 31, 1974

1. Operating expenses	1974		1973	
	Natural Gas	Electric	Natural Gas	Electric
Natural gas supply	\$40,179,000		\$35,907,000	
Operating and maintenance	22,589,000	\$20,983,000	18,994,000	\$15,735,000
Taxes — other than income	6,218,000	1,817,000	5,384,000	1,445,000
Depreciation	6,533,000	6,373,000	6,082,000	4,937,000
	<u>\$75,519,000</u>	<u>\$29,173,000</u>	<u>\$66,367,000</u>	<u>\$22,117,000</u>
Total		<u>\$104,692,000</u>		<u>\$88,484,000</u>

## 2. Income taxes

The provision for income taxes in the consolidated statement of earnings includes deferred taxes of \$627,000 in 1974 (\$632,000 in 1973).

Total deferred income taxes increased by \$5,184,000 during 1974 (\$4,650,000 in 1973). The cumulative amount of deferred income taxes to December 31, 1974 is \$30,874,000 of which \$1,187,000 has been recorded in the accounts as a deferred credit, \$1,251,000 as a reduction in deferred expenses and \$472,000 is included in income and other taxes payable.

Income taxes have been calculated taking into account proposed legislation outlined in the Federal Budget of November 18, 1974 and the Provincial Royalty tax credit and refund proposal as announced by the Province of Alberta.

## 3. Extraordinary items

The extraordinary items represent non-recurring gains of \$477,000 on the sale of certain utility distribution facilities less income taxes of \$33,000.

## 4. Earnings per common share

In the fully diluted earnings per common share calculation, the assumption is made that warrants for the purchase of 595,160 common shares at \$9 had been exercised at the beginning of each year and that the funds derived therefrom had been invested to produce an annual rate of 8% before applicable income taxes. In addition, the calculation assumes conversion of the convertible preferred shares at the beginning of each year.

5. Accounts receivable	1974	1973
Consumer accounts, gas and electric	\$13,661,000	\$11,632,000
Receivable from the Province of Alberta under the Natural Gas Rebates Act	11,839,000	
Other receivables and deposits	7,748,000	3,859,000
	<u>\$33,248,000</u>	<u>\$15,491,000</u>

## 6. Property, plant and equipment

1974		1973		
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Gas utility plant and equipment	\$268,936,000	\$ 83,945,000	\$243,212,000	\$ 78,593,000
Electric utility plant and equipment	260,046,000	41,246,000	217,570,000	35,954,000
Undertakings, franchise and gas rights	8,000,000		8,000,000	
Land	1,683,000		1,526,000	
Balance at end of year	<u>\$538,665,000</u>	<u>\$125,191,000</u>	<u>\$470,308,000</u>	<u>\$114,547,000</u>

## 7. Unamortized debt discount and deferred expenses

	1974	1973
Unamortized debt discount and expense	\$3,623,000	\$3,366,000
Participation in Gas Arctic-Northwest Project Study Group	1,380,000	906,000
Upon receipt of necessary regulatory approvals and formation of a pipeline company, the company's expenditures may be invested in a share or other security interest. Regulatory approval will be sought by the company to include the amount in the rate base of the gas subsidiaries. The amount is after deducting deferred taxes of \$1,251,000 (1973 - \$854,000).		

Other deferred charges	\$1,362,000	\$ 814,000
Unamortized expense incurred in connection with corporate reorganization and gas exploration		
Balance at end of year	<u>\$6,365,000</u>	<u>\$5,086,000</u>

#### 8. Notes payable

Notes payable include commercial paper and bank loans payable at various dates. Under a loan agreement with the company's bankers credit facilities have been arranged in 1974 whereby the borrowings fall due beyond one year.

#### 9. Long-term debt

	Total	Current Maturities
Canadian Utilities Limited:		
8 3/8 % debentures 1972 Series, due March 1, 1992	\$30,000,000	
8 3/4 % debentures 1973 Series, due July 2, 1993	15,000,000	
9 1/8 % debentures 1974 Series, due March 15, 1994	15,000,000	
11 1/2 % debentures 1974 - 2nd Series, due October 1, 1994	17,500,000	
	<u>77,500,000</u>	
Alberta Power Limited:		
First mortgage sinking fund bonds:		
Series C — 3 2/5 %, due December 1, 1975	1,827,000	\$1,827,000
Series D — 4 1/4 %, due November 1, 1979	3,400,000	40,000
Series E — 4 1/8 %, due April 1, 1981	3,106,000	44,000
Series F — 5 1/2 %, due December 1, 1986	5,000,000	
Series G — 5 5/8 %, due June 1, 1990	12,000,000	
Series H — 6 1/2 %, due February 1, 1992	8,000,000	
Sinking fund debentures:		
Series A — 7 1/4 %, due May 15, 1988	13,922,000	
Series B — 9 5/8 %, due December 15, 1991	8,841,000	141,000
Series C — 8%, due June 1, 1976	10,000,000	
	<u>66,096,000</u>	<u>2,052,000</u>
Canadian Western Natural Gas Company Limited		
First mortgage sinking fund bonds:		
Series B — 5 3/4 %, due February 1, 1982	3,882,000	
Series C — 5 3/8 %, due April 1, 1983	2,752,000	82,000
Series D — 5 5/8 %, due May 1, 1989	3,875,000	125,000
Series E — 7%, due June 15, 1992	5,950,000	175,000
Sinking fund debentures:		
9 3/4 %, due December 1, 1990	9,199,000	324,000
	<u>25,658,000</u>	<u>706,000</u>
Northwestern Utilities Limited:		
First mortgage sinking fund bonds:		
Series E — 3 5/8 %, due December 15, 1975	835,000	835,000
Series F — 4 3/4 %, due January 15, 1979	1,192,500	238,500
Series G — 5 3/8 %, due April 15, 1983	4,018,500	
Series H — 5 3/4 %, due March 1, 1988	8,209,500	
Series I — 6 1/2 %, due May 1, 1992	4,090,000	130,000
Series J — 9 3/4 %, due December 15, 1994	6,918,000	166,000
Sinking fund debentures:		
Series C — 6 3/4 %, due May 1, 1977	545,500	
Series D — 6 3/4 %, due December 1, 1978	594,000	19,000
Series E — 7 1/4 %, due October 15, 1985	3,130,000	106,000
	<u>29,533,000</u>	<u>1,494,500</u>
Total long-term debt	<u>198,787,000</u>	<u>\$4,252,500</u>
Deduct current maturities	<u>4,252,500</u>	
Long-term debt less current maturities	<u>\$194,534,500</u>	

The long-term debt outstanding and current maturities thereof are stated after deducting bonds and debentures which have been purchased by the companies and are held for future sinking fund payments and exclude requirements which may be satisfied by certification of property additions.

Installments of long-term debt maturing in each of the calendar years 1975, 1976, 1977, 1978 and 1979 amount to \$4,252,500, \$13,447,000, \$4,996,500, \$6,453,500 and \$9,378,500 respectively. These maturities exclude requirements which may be satisfied by certification of property additions and after deducting bonds and debentures which have been repurchased.

The bond and debenture indentures executed by the company and its subsidiaries place limitations on the company and its subsidiaries, including restrictions on the payment of dividends. Of the consolidated retained earnings at December 31, 1974 and 1973, approximately \$16,636,000 and \$21,598,000, respectively, were free from such restrictions.

#### 10. Minority interests

Northwestern Utilities Limited:

105,000 4% Cumulative Redeemable Preference Shares of the par value of \$100 each \$10,500,000

Canadian Western Natural Gas Company Limited:

275,410 4% Cumulative Redeemable Preference Shares of the par value of \$20 each	\$5,508,200
200,000 5½% Cumulative Redeemable Preference Shares of the par value of \$20 each	<u>4,000,000</u>
	9,508,200
	<u>\$20,008,200</u>

#### 11. Preferred shares

Authorized:

40,000 5% Cumulative Redeemable Preferred Shares of the par value of \$100 each.

150,000 series preferred shares of the par value of \$100 each, issuable in series, of which 15,000 shares have been designated as Cumulative Redeemable Preferred Shares, 4½% Series and 50,000 shares designated as Cumulative Redeemable Preferred Shares, 6% Series.

4,000,000 series preferred shares of the par value of \$25 each, issuable in series, of which 1,200,000 shares have been designated as 10½% Cumulative Redeemable Series Second Preferred Shares Series A.

1,780,000 \$1.25 Cumulative Convertible Preferred Shares of the par value of \$20 each, convertible into two common shares up to January 15, 1982 and into 1.6 common shares up to January 15, 1992 and having one vote in respect of each two shares. The conversion rates are subject to adjustment under certain circumstances.

Issued:

	1974		1973	
	Number of Shares	Value of Shares	Number of Shares	Value of Shares
Issued and redeemable at the option of the company on thirty days notice:				
5% series (redeemable at \$104 per share)	40,000	\$ 4,000,000	40,000	\$ 4,000,000
4½% series (redeemable at \$102.50 per share)	15,000	1,500,000	15,000	1,500,000
6% series (redeemable at \$105 per share on or before February 1, 1972, thereafter reducing at various dates to a minimum redemption price of \$101 per share)	50,000	5,000,000	50,000	5,000,000
Issued and non-redeemable up to January 1, 1982 (unless the number of shares outstanding is equal to or less than 75,000), thereafter redeemable at the option of the company on thirty days' notice at \$20 per share:				
\$1.25 preferred shares				
Balance at beginning of year	1,777,939	35,558,780	1,778,889	35,577,780
Converted at varying dates into common shares without nominal or par value	(5,280)	(105,600)	(950)	(19,000)
Issued and outstanding	<u>1,772,659</u>	<u>35,453,180</u>	<u>1,777,939</u>	<u>35,558,780</u>
Balance at end of year		<u>\$45,953,180</u>		<u>\$46,058,780</u>

## 12. Common shares

### Authorized:

30,000,000 without nominal or par value

### Issued:

	1974		1973	
	Number of Shares	Value of Shares	Number of Shares	Value of Shares
Balance at beginning of year	10,064,906	\$65,323,912	10,062,646	\$65,301,672
Issued on conversion of \$1.25 preferred shares	10,560	105,600	1,900	19,000
Issued on exercise of share purchase warrants			360	3,240
Balance at end of year	<u>10,075,466</u>	<u>\$65,429,512</u>	<u>10,064,906</u>	<u>\$65,323,912</u>

At December 31, 1974 the company has reserved 4,140,478 common shares for issue as follows:

In connection with share purchase warrants outstanding exercisable at a price of \$9 per share (price is subject to adjustment in certain circumstances). The warrants expire May 15, 1978	595,160
In connection with the \$1.25 cumulative redeemable convertible preferred shares	3,545,318
	<u>4,140,478</u>

## 13. Remuneration of directors and officers

During the year ended December 31, 1974 the company paid aggregate remuneration of \$36,450 to 13 directors as directors (\$39,400 to 13 directors in 1973) and \$307,986 to 8 officers as officers (\$300,434 to 10 officers in 1973). Two officers were also directors in 1974 and three in 1973.

## 14. Commitments

The cost of the company's construction and expansion program for 1975 will amount to approximately \$67,728,000. Commitments under contract pertaining to this program, including \$23,026,000 related to completion of Battle River generating plant are approximately \$40,310,000 at December 31, 1974.

The companies have in effect a pension plan covering substantially all their employees. The aggregate unfunded past service liability, being amortized over periods not exceeding eighteen years, amounted to approximately \$6,216,000 at December 31, 1974.

## 15. Subsequent event

The company has entered into an agreement on January 9, 1975 to issue \$30,000,000, 10 1/4% Cumulative Redeemable Second Preferred Shares Series A and will receive net proceeds of \$29,020,000 on January 31, 1975.

# Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of Canadian Utilities Limited and subsidiaries as of December 31, 1974 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company and subsidiaries as of December 31, 1974 and the results of their operations and the changes in financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Peat, Marwick, Mitchell & Co.*

Chartered Accountants

Edmonton, Alberta  
January 30, 1975

# Eleven Year Growth Summary

CANADIAN UTILITIES LIMITED (dollars in thousands except per share data)

	1974	1973	1972
<b>Natural Gas Revenues</b>	\$ 91,486	82,066	78,875
<b>Electric Revenues</b>	46,295	38,305	33,849
	137,781	120,371	112,724
<b>Operating Expenses</b>			
Natural gas supply	40,179	35,907	32,357
Operating and maintenance	43,572	34,729	33,389
Taxes — other than income	8,035	6,829	6,516
Depreciation	12,906	11,019	10,134
	104,692	88,484	82,396
<b>Operating Income</b>	33,089	31,887	30,328
<b>Other Income</b>			
Interest capitalized during construction	1,601	785	2,170
Interest and dividends	223	208	466
Gain on purchase of long-term debt	286	328	36
Miscellaneous	464	253	306
	2,574	1,574	2,978
	35,663	33,461	33,306
<b>Income Deductions</b>			
Interest on long-term debt	13,902	11,931	11,033
Interest on loans to parent and affiliated companies	262	371	459
Other interest	2,691	1,153	438
Debt discount and expense amortized	272	235	229
	17,127	13,690	12,159
	18,536	19,771	21,147
<b>Income Taxes</b>	2,416	4,536	5,054
	16,120	15,235	16,093
	860	860	962
	15,260	14,375	15,131
<b>Minority Interests</b>	444	(89)	
<b>Net Earnings Before Extraordinary Items</b>	15,704	14,375	15,042
<b>Extraordinary Items — Non-Recurring Gain (Loss)</b>			
<b>Net Earnings</b>	2,781	2,787	2,766
<b>Preferred Dividends</b>	12,923	11,588	12,276
<b>Net Income to Common Shareholders</b>	10,075,466	10,064,906	10,062,646
<b>Earnings — Dollars Per Common Share</b>			
(reflecting 4-for-1 share split September 25, 1972)			
Net earnings before extraordinary items	1.24	1.15	1.23
Net earnings	1.28	1.15	1.22
<b>Electric Statistics</b>			
Gross plant in service at cost	260,743	218,202	198,165
Accumulated depreciation	41,288	35,954	31,814
Capital additions	45,021	21,377	24,719
Sales (thousands of kilowatt hours)	1,920,408	1,782,908	1,520,031
Maximum demand (thousands of kilowatts)	388	376	342
Plant capacity (thousands of kilowatts)	523	512	370
Customers at year-end	88,822	84,598	80,492
Communities served	364	365	365
Miles of power lines	11,710	11,245	10,823
Average annual use per residential customer (kilowatt hours)	6,369	6,069	5,961
<b>Gas Statistics</b>			
Gross plant in service at cost	277,922	252,106	237,682
Accumulated depreciation	83,903	78,593	73,760
Capital additions	26,963	16,611	16,879
Sales (millions of cubic feet)	241,949	240,462	231,995
Maximum daily demand (millions of cubic feet)	1,176	1,092	1,106
Customers at year-end	353,331	335,494	317,766
Communities served	254	253	251
Miles of pipe lines	10,489	9,837	9,439
Average annual use per residential customer (cubic feet)	208,376	212,300	230,000

1971	1970	1969	1968	1967	1966	1965	1964
70,342	62,972	59,221	53,809	51,925	50,594	48,255	43,518
30,552	27,666	21,968	18,830	16,725	15,068	13,959	13,280
100,894	90,638	81,189	72,639	68,650	65,662	62,214	56,798
26,982	22,695	21,330	19,766	19,381	18,086	15,536	14,401
29,103	26,365	23,812	20,606	18,615	17,163	16,210	14,878
5,959	5,288	4,755	4,366	4,076	3,902	3,617	3,213
9,716	9,378	7,921	7,134	6,845	6,361	5,926	5,436
71,760	63,726	57,818	51,872	48,917	45,512	41,289	37,928
29,134	26,912	23,371	20,767	19,733	20,150	20,925	18,870
774	194	1,091	939	383	156	70	93
704	480	336	584	665	294	478	364
379	179	66	197	52	72	57	36
243	16	202	115	67	88	48	143
2,100	869	1,695	1,835	1,167	610	653	636
31,234	27,781	25,066	22,602	20,900	20,760	21,578	19,506
8,804	6,870	6,116	5,785	4,825	4,037	3,705	3,354
263	372	375	47			68	80
708	1,698	993	581	305	199	258	175
206	168	154	147	122	104	103	97
9,981	9,108	7,638	6,560	5,252	4,340	4,134	3,706
21,253	18,673	17,428	16,042	15,648	16,420	17,444	15,800
7,132	6,912	5,705	5,152	5,954	6,860	7,559	7,046
14,121	11,761	11,723	10,890	9,694	9,560	9,885	8,754
1,226	1,160	1,167	1,149	1,138	1,156	1,168	1,128
12,895	10,601	10,556	9,741	8,556	8,404	8,717	7,626
183	234	2,888	207	14	256	647	27
13,078	10,835	13,444	9,948	8,570	8,660	9,364	7,653
2,514	2,514	2,514	2,514	2,415	2,214	2,214	2,214
10,564	8,321	10,930	7,434	6,155	6,446	7,150	5,439
10,056,024	8,948,528	8,873,752	8,873,672	8,860,860	8,838,608	8,792,524	8,733,880
1.03	.90	.91	.81	.69	.70	.74	.62
1.05	.93	1.23	.84	.69	.73	.81	.62
175,477	147,521	132,294	118,556	94,189	77,813	67,998	61,553
28,337	24,568	21,084	18,901	17,093	15,478	13,917	12,878
29,023	16,293	15,150	26,225	17,899	11,149	7,885	6,244
1,274,649	1,118,239	967,276	769,501	645,283	563,112	562,267	424,671
295	281	245	216	178	149	135	136
367	367	344	197	197	193	172	172
77,246	74,193	72,042	70,076	67,503	65,487	63,599	64,021
359	355	343	342	342	340	314	316
9,951	9,715	9,197	8,497	7,602	7,205	6,456	6,125
5,550	5,209	5,127	4,617	4,306	4,054	3,884	3,540
221,757	211,894	200,721	190,024	181,545	172,946	164,691	156,993
68,854	64,038	59,289	55,032	51,050	47,152	43,367	39,832
10,876	12,280	11,803	9,674	9,190	9,080	8,435	5,756
206,618	186,812	173,030	153,055	150,402	143,195	135,291	120,902
1,090	986	904	918	784	752	714	784
303,253	289,457	278,412	266,669	255,332	247,157	239,390	231,484
249	240	238	229	221	206	195	193
9,166	8,753	8,106	7,328	6,410	5,689	5,508	5,266
217,800	217,000	222,600	210,900	209,000	222,100	226,300	206,700

## Board of Directors

**G. L. Crawford, Q.C.**  
Barrister & Solicitor  
McLaws & Company  
Calgary, Alberta.

**W. D. H. Gardiner**  
Deputy Chairman and  
Executive Vice-President  
The Royal Bank of Canada  
Toronto, Ontario.

**F. T. Jenner**  
Company Director  
Edmonton, Alberta.

**E. W. King**  
President  
Canadian Utilities Limited  
Edmonton, Alberta.

**P. L. P. Macdonnell, Q.C.**  
Barrister and Solicitor  
Milner & Steer  
Edmonton, Alberta.

**J. E. Maybin**  
Chairman and Chief Executive Officer  
Canadian Utilities Limited  
Toronto, Ontario.

**D. R. B. McArthur\***  
Chairman of the Board  
Inland Cement Industries Ltd.  
Edmonton, Alberta.

**W. S. McGregor\***  
President  
Numac Oil & Gas Ltd.  
Edmonton, Alberta.

**W. S. McLeese**  
President  
Trans Canada Freezers Limited  
Toronto, Ontario.

**J. M. Seabrook**  
Chairman and President  
IU International Corporation  
Salem, New Jersey, U.S.A.

**D. K. Yorath**  
Vice-Chairman  
IU International Corporation  
Edmonton, Alberta.

\* Member of audit committee

## Officers

**H. R. Milner, C.C., Q.C.**  
Honorary Chairman of the Board

**J. E. Maybin**  
Chairman and Chief Executive Officer

**E. W. King**  
President

**K. A. Biggs**  
Senior Vice-President — Finance

**D. R. Brandt**  
Vice-President

**W. A. Sullivan**  
Secretary

**A. M. Anderson**  
Treasurer

**H. N. Bottomley**  
Controller

**H. Brown**  
Assistant Secretary and  
Assistant Treasurer

**Mrs. E. M. Slipper**  
Assistant Secretary

## Honorary Director

**F. C. Manning**  
Company Director  
Calgary, Alberta.

## Subsidiary Companies

Alberta Power Limited  
and subsidiaries:

The Yukon Electrical Company Limited  
Yukon Hydro Company Limited  
Fort McMurray Power Company Limited

Canadian Western Natural Gas  
Company Limited

Northwestern Utilities Limited  
and subsidiary:

Northland Utilities (B.C.) Limited

Registered Head Office: 10040 - 104 Street  
Edmonton, Alberta, Canada T5J 2V6  
Telephone: (403) 424-6161

### Toronto Office

2314 Commercial Union Tower  
Toronto Dominion Centre  
Toronto, Ontario, Canada M5K 1H1  
Telephone: (416) 869-3868

## Transfer Agent and Registrar

Common Shares and Preferred Shares  
Montreal Trust Company:

Montreal / Toronto / Winnipeg / Regina  
Calgary / Edmonton / Vancouver

## Stock Exchange Listings

Common Shares:

Toronto and Montreal Stock Exchanges

Preferred Shares:

\$1.25 Convertible Preferred  
10 $\frac{1}{4}$ % Series Second Preferred  
Toronto and Montreal Stock Exchanges  
5% Preferred  
4 $\frac{1}{4}$ % Series Preferred  
6% Series Preferred  
Toronto Stock Exchange

## Auditors

Peat, Marwick, Mitchell & Co.  
2500 Alberta Telephone Tower  
10020 - 100th Street,  
Edmonton, Alberta.

## Annual Meeting

The annual meeting of shareholders  
will be held in Edmonton on  
April 25, 1975.

CANADIAN UTILITIES LIMITED



# interim report

Toronto he will relinquish his position with IU International as a group vice president and will become chief executive officer of Canadian Utilities Limited.

Egerton W. King will continue at Canadian Utilities' headquarters in Edmonton as president of the company and chief executive of its operating subsidiaries.

**E. W. KING**

President

**J. E. MAYBIN**

Chairman

July 26th, 1974

**Second  
Quarter  
June 30  
1974**

**2**



and subsidiary companies

Alberta Power Limited and  
subsidiaries

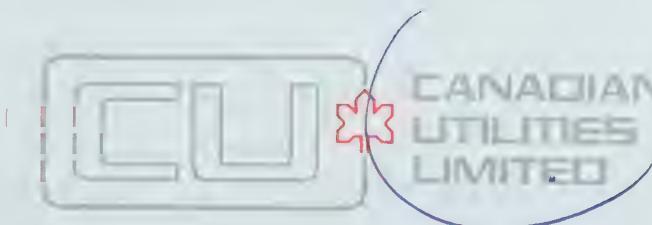
Canadian Western Natural Gas  
Company Limited

Northwestern Utilities Limited  
and subsidiary

Head Office: 10040 - 104 Street,  
Edmonton, Alberta, Canada T5J 2V6

Telephone: (403) 424-6161

Tellex: 037-2848





CANADIAN

**CONSOLIDATED STATEMENT OF EARNINGS**  
(in thousands)

	3 Months Ended		6 Months Ended	
	June 30		June 30	
	1974	1973	1974	1973
<b>Natural gas revenues</b>	<b>\$19,023</b>	<b>\$17,598</b>	<b>\$49,136</b>	<b>\$44,395</b>
Electric revenues	11,096	9,371	22,466	19,479
	<b>30,119</b>	<b>26,969</b>	<b>71,602</b>	<b>63,874</b>
<b>Operating expenses</b>				
Natural gas supply	6,637	7,198	18,487	16,695
Operating and maintenance	10,476	8,274	20,327	16,549
Taxes — other than income	1,729	1,531	4,101	3,631
Depreciation	2,935	2,381	6,782	5,899
	<b>21,777</b>	<b>19,384</b>	<b>49,697</b>	<b>42,774</b>
<b>Operating income</b>	<b>8,342</b>	<b>7,585</b>	<b>21,905</b>	<b>21,100</b>
<b>Other income</b>				
Interest capitalized during construction	304	65	504	534
Interest and dividends	34	31	64	58
Gain on purchase of long-term debt	42	43	46	123
Miscellaneous	91	(40)	249	23
	<b>471</b>	<b>99</b>	<b>863</b>	<b>738</b>
	<b>8,813</b>	<b>7,684</b>	<b>22,768</b>	<b>21,838</b>
<b>Income deductions</b>				
Interest on long-term debt	3,446	2,823	6,609	5,659
Interest on loans from parent and affiliated companies	65	92	130	185
Other interest	376	296	885	533
Debt discount and expense amortized	65	57	133	116
	<b>3,952</b>	<b>3,268</b>	<b>7,757</b>	<b>6,493</b>
<b>Income taxes</b>	<b>4,861</b>	<b>4,416</b>	<b>15,011</b>	<b>15,345</b>
	<b>856</b>	<b>961</b>	<b>3,396</b>	<b>4,041</b>
	<b>4,005</b>	<b>3,455</b>	<b>11,615</b>	<b>11,304</b>
<b>Minority interests</b>	<b>215</b>	<b>215</b>	<b>430</b>	<b>430</b>
<b>Net earnings before extraordinary items</b>	<b>3,790</b>	<b>3,240</b>	<b>11,185</b>	<b>10,874</b>
<b>Extraordinary items — non-recurring gains</b>	<b>114</b>	<b>—</b>	<b>418</b>	<b>—</b>
<b>Net earnings</b>	<b>\$ 3,904</b>	<b>\$ 3,240</b>	<b>\$11,603</b>	<b>\$10,874</b>
<b>Earnings — dollars per common share</b>				
Basic				
Net earnings before extraordinary items	\$ .30	\$ .25	\$ .97	\$ .94
Extraordinary items — non-recurring gains	.01	—	.04	—
Net earnings	<b>\$ .31</b>	<b>\$ .25</b>	<b>\$ 1.01</b>	<b>\$ .94</b>
Fully diluted				
Net earnings before extraordinary items	\$ .26	\$ .22	\$ .77	\$ .75
Extraordinary items — non-recurring gains	—	—	.03	—
Net earnings	<b>\$ .26</b>	<b>\$ .22</b>	<b>\$ .80</b>	<b>\$ .75</b>

*Note 1: The interim figures in this report are unaudited.*

*Note 2: Fully diluted earnings per share assume exercise of warrants and conversion of the second preferred shares at the beginning of each period.*

*Note 3: There were 10,071,046 common shares outstanding on June 30, 1974, compared with 10,063,426 a year earlier.*

*Note 4: Certain 1973 comparative figures have been regrouped to conform with the 1974 presentation.*

# UTILITIES LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

(in thousands)

	3 Months Ended		6 Months Ended	
	June 30		June 30	
	1974	1973	1974	1973
<b>Sources of working capital</b>				
Net earnings . . . . .	\$ 3,904	\$ 3,240	\$11,603	\$10,874
Add non-cash items, principally depreciation . . .	2,941	2,494	6,884	6,144
Provided from operations . . . . .	6,845	5,734	18,487	17,018
Issue of long-term debt . . . . .	—	—	14,851	—
Issue of common shares . . . . .	5	6	61	8
Decrease in accounts receivable due beyond one year . . . . .	—	55	—	9
Increase in contributions for extensions to plant . .	613	574	951	696
Disposition of property, plant and equipment . . .	446	315	1,145	411
	<b>7,909</b>	<b>6,684</b>	<b>35,495</b>	<b>18,142</b>
<b>Uses of working capital</b>				
Purchase of property, plant and equipment . . . .	14,336	7,307	21,570	14,808
Reduction of long-term debt . . . . .	972	1,066	1,739	1,779
Dividends paid — preferred . . . . .	695	696	1,391	1,394
— common . . . . .	1,461	1,358	2,921	2,717
Redemption of second preferred shares . . . . .	5	4	61	5
Increase in accounts receivable due beyond one year . . . . .	68	—	60	—
Increase in deferred expenses . . . . .	86	107	293	152
Other . . . . .	25	—	52	7
	<b>17,648</b>	<b>10,538</b>	<b>28,087</b>	<b>20,862</b>
<b>Increase (decrease) in working capital . . . . .</b>	<b>\$ (9,739)</b>	<b>\$ (3,854)</b>	<b>\$ 7,408</b>	<b>\$ (2,720)</b>

## TO THE SHAREHOLDERS

Net earnings from operations in the first half of 1974 were \$11,185,000 or 97 cents per common share, an improvement of 3 per cent over the \$10,874,000 or 94 cents per share a year earlier. An additional 4 cents per share or \$418,000 was recorded in the current year as non-recurring gain upon sale of certain utility distribution facilities.

Natural gas revenues were \$49,136,000 for the first half, a gain of \$4,741,000 or 11 per cent over the same period last year. The growth reflects the addition of 16,568 new customers over the past 12 months to a current total of 340,504 customers and increased usage per customer upon the return to near normal temperatures in 1974 as compared to warmer-than-normal temperatures in the same period in 1973. Sales of 138.4 billion cubic feet were 8 per cent over the 128.8 billion cubic feet sold in the first half of 1973.

An increase of 15 per cent in revenues from electric services to \$22,466,000 resulted from a 10 per cent growth in volume of energy sales and approval by the Public Utilities Board of interim rates for Alberta Power Limited effective June 1, 1974. Sales of 1,008 million kilowatt hours in the first half compares with 913 million kilowatt hours a year earlier. The number of electric customers has grown to 85,351 at the end of June, up 3,812 from the June 30, 1973 level.

Hearings are under way with respect to applications to the Alberta Public Utilities Board for two of the subsidiary utilities. A decision on an application for interim rate relief by Canadian Western Natural Gas Company Limited was pending as of July 18. The Public Utilities Board has called a hearing for North-

western Utilities Limited which is expected to take place this fall.

The need for rate relief is evident in the first half results. Operating expenses increased 16 per cent and interest expense was 20 per cent above comparative 1973 expenses during a period where electric and gas sales volumes rose 10 per cent and 8 per cent respectively.

The Alberta Government's legislation on a natural gas rebates plan was given assent in June. Certain large industrial and commercial customers and power generation by public utilities will not be subject to full sheltering from increased costs of natural gas under the plan. Both gas subsidiaries are seeking Public Utilities Board approval to increase rates to these customers who are not subject to full rebate.

The company is pleased to welcome a new director to the board, W. D. H. Gardiner, deputy chairman and executive vice president of the Royal Bank of Canada.

Resolutions were approved at the annual and special general meetings of shareholders April 25 which authorized the creation of four million series second preferred shares at the par value of \$25. The new shares may be issued in one or more series. No arrangements have been made at this time for their issue.

Following a meeting of directors of the company July 10, Board Chairman John E. Maybin announced that he will establish his office in Toronto in early autumn. Mr. Maybin will concentrate his activities in the fields of corporate development, long range planning and relations with the financial community. In moving to

# FACTS + FIGURES



## Contents

Transfer Agent and Registrar	1
Stock Exchange Listings and Auditors	1
Corporate Objectives	2
Corporate History and Structure	4
Board of Directors	6
Corporate Organization	6
Officers	7
Financial Statistics	11
Earnings Per Share	14
Equity Capital	16
Long-Term Debt	18
Capital Expenditures	19
Electric Operations	20
Gas Operations	26
Electric and Gas Industry Statistics	33

Material included in this manual is intended to supplement the information presented in the company's annual and other reports. The manual is published primarily for the use of security analysts and other investment professionals.

Requests for additional information on the financial activities of the company should be directed to K. A. Biggs, senior vice-president finance, at the head office in Edmonton.

This report has been prepared for information purposes only and is not intended for use in connection with any sale or purchase of, or offer to sell or buy, any securities of the company.

Date of Publication  
April 1, 1975

**Canadian Utilities Limited**  
and subsidiary companies

Alberta Power Limited and subsidiaries  
The Yukon Electrical Company Limited  
Yukon Hydro Company Limited  
Fort McMurray Power Company Limited  
Canadian Western Natural Gas Company Limited  
Northwestern Utilities Limited and subsidiary  
Northland Utilities (B.C.) Limited

**Canadian Utilities Limited**

Head Office  
10040 - 104 Street  
Edmonton, Alberta, Canada T5J 2V6  
Telephone: (403) 424-6161  
Telex: 037-2848 TWX 610 831 1142  
Toronto Office  
2314 Commercial Union Tower  
Toronto Dominion Centre  
Toronto, Ontario, Canada M5K 1H1  
Telephone: (416) 869-3868

## Common Shares And Preferred Shares

Montreal Trust Company:

Montreal / Toronto / Winnipeg / Regina  
Calgary / Edmonton / Vancouver

## Transfer Agent And Registrar

## First Mortgage Sinking Fund Bonds

Montreal Trust Company:

Alberta Power Limited  
Canadian Western Natural Gas Company Limited  
Northwestern Utilities Limited

## Trustee

## Sinking Fund Debentures

National Trust Co. Ltd.:  
Canadian Utilities Limited

Royal Trust Company:  
Alberta Power Limited  
Canadian Western Natural Gas Company Limited

Canada Permanent Trust:  
Northwestern Utilities Limited

## Interest

Interest payable at Royal Bank of Canada  
except interest on Northwestern Utilities Limited  
Sinking fund debentures payable at Canadian  
Imperial Bank of Commerce.

Common Shares:

Toronto and Montreal Stock Exchanges

Preferred Shares:

\$1.25 Convertible Preferred  
10 1/4% Series Second Preferred

Toronto and Montreal Stock Exchanges:

5% Preferred  
4 1/4% Series Preferred  
6% Series Preferred

Toronto Stock Exchange

## Stock Exchange Listings

Peat, Marwick, Mitchell & Co.  
2500 Alberta Telephone Tower  
10020 - 100th Street  
Edmonton, Alberta

## Auditors

## Corporate Objectives

To provide shareholders with a reasonable return relative to the risk of their investment through:

Investing in and managing opportunities to provide high quality services for energy supply in Canada.

And to strengthen and expand around the core of existing businesses by:

Significant participation in energy and resource developments in Canada, including the goods and services supporting these developments.

To provide our customers with the best possible energy service at the lowest possible cost consistent with the highest standards of safety and dependability.

To fulfill our obligations by taking an active part in the communities we serve to bring about progress and betterment.



Milner Building — Edmonton

# Corporate History And Structure

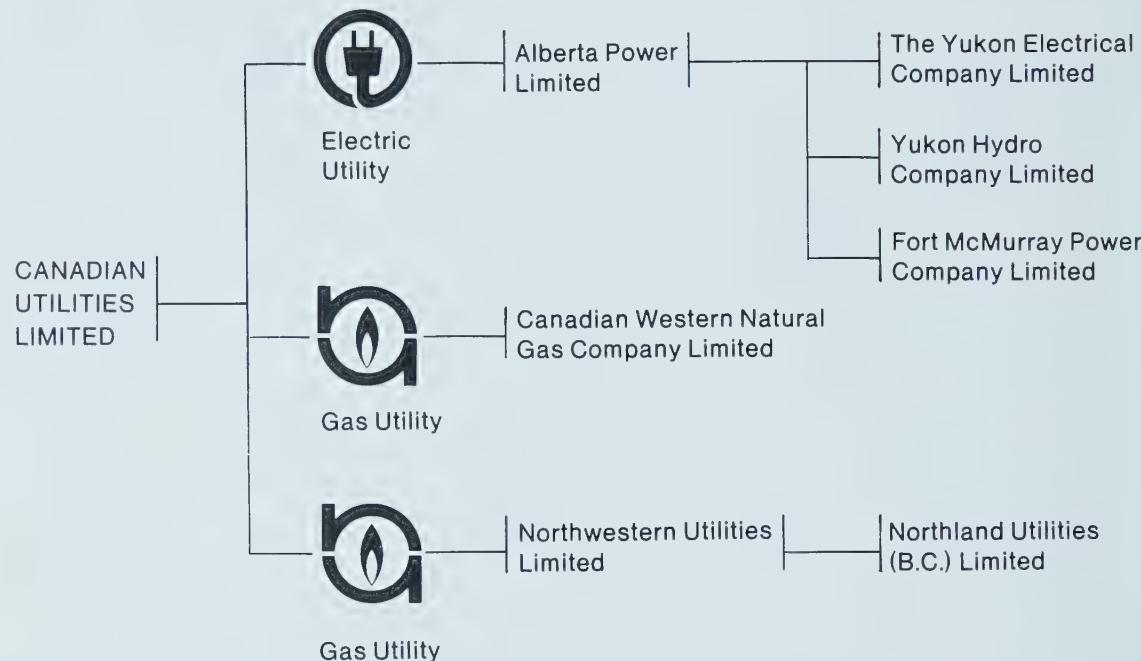
## Canadian Utilities Limited

Canadian Utilities Limited, previously an operating electric utility, has now completed its third year of operation as a holding company and parent of Alberta's major electric and natural gas utilities.

Alberta Power, formerly called Canadian Utilities, generates, transmits and distributes electric power principally in Alberta and to a lesser extent in the Northwest Territories. Through its subsidiaries The Yukon Electrical Company

Limited and Yukon Hydro Company Limited, it serves the Yukon Territory.

Canadian Western Natural Gas Company Limited and Northwestern Utilities Limited produce, transmit and distribute natural gas to most of the major cities, towns and rural areas of Alberta. Northwestern also provides natural gas service to Dawson Creek, B.C. through its subsidiary Northland Utilities (B.C.) Limited.



## Alberta Power Limited

Alberta Power Limited operates an electric utility system that was known for 46 years as Canadian Utilities Limited. On January 5, 1972, through a corporate restructuring, Canadian Utilities broadened its activities to become a holding company and the parent of the Alberta electric and gas utility companies, with Alberta Power succeeding as the operator of the electric properties.

Alberta Power generates and supplies electrical power to most of Northern and Central Alberta and to a lesser extent in the Yukon Territory and Northwest Territories. There are approximately 89,000 customers covering a population of about 300,800.

The history of electric service dates back to 1926 when Vegreville Utilities Limited was incorporated. In 1927 Mid-West Utilities Limited was incorporated under a Dominion charter and, under the same management, assumed the operation of Vegreville and other properties in Alberta and Saskatchewan. Mid-West's name was changed to Canadian Utilities Limited in 1928.

As the company expanded, diesel plants were installed in many communities and 24-hour service was instituted at reduced rates. In 1929 the company built and operated the first mobile

rail car generating plant in Canada for emergency service in Saskatchewan and Alberta. Among systems acquired was that of Union Power Company Limited at Drumheller which, in 1935, was amalgamated with Canadian Utilities Limited. Among the company's achievements was the first electrified oil well in Western Canada, connected in 1944. In 1965 the first truck-trailer mobile generating stations in Alberta were built by the company to supply power to the rapidly developing oil fields on a short-term basis. Some 40 per cent of the company's load was associated with the oil and gas industry.

Rural electrification was initiated in 1944 to an experimental area of farms in the Swalwell district. Today there are over 19,800 farm customers in the company's service area.

All of the company's Saskatchewan properties, except those in and adjacent to Lloydminster, were nationalized by the Saskatchewan government in 1947, reducing the company to about one half its former size, with holdings in Alberta.

The company then embarked on a vigorous expansion program in Alberta. A gas-fired steam plant was built at Vermilion using turbines and boilers acquired from old U.S. naval vessels. In 1954 Canada's first gas turbine generator was put

into operation at Vermilion, while a coal-fired plant was built on the Battle River in east-central Alberta adjacent to the vast coal fields near Forestburg. Presently under construction is a fourth generating plant of 150,000 kilowatts at Battle River to be commissioned during the latter part of 1975. Total capacity of the Battle River plant will then be 362,000 kilowatts.

In 1973 the H.R. Milner generating plant was

commissioned at Grande Cache, Alberta with a capacity of 150,000 kilowatts. The plant bears the name of a former director, and present honorary chairman of Canadian Utilities, who was instrumental in the early development of the company's electric operations.

The Yukon Electrical Company Limited and Yukon Hydro Company Limited were purchased in 1958. Yukon Electrical now supplies service to 18 communities in addition to Whitehorse.

## Northwestern Utilities

Northwestern Utilities Limited, a fully integrated natural gas utility company, formed in 1923, is engaged in the production, transmission and distribution of natural gas in north central and northern Alberta.

From the start of the company's operations in 1923 until the end of 1949, all the supplies of natural gas came from company wells in the Viking-Kinsella field 80-miles east of Edmonton. The field produces "sweet" or odorless gas and is still an important source of supply to the company system, even though there are 19 other sources now connected to the company's system.

Natural gas service is also provided to Dawson Creek, B.C. through a subsidiary, Northland Utilities (B.C.) Limited.

A major expansion took place in 1946 when a transmission line was built connecting the Viking-Edmonton line to the city of Red Deer. The communities of Camrose, Wetaskiwin, Ponoka and Lacombe were connected along the way.

On August 1, 1972, Northwestern Utilities acquired all the gas operations of its affiliate, Northland Utilities, taking over service to 15,360 customers in 36 communities in northern Alberta. At that time Northland went into

voluntary liquidation.

In 1974 Northwestern Utilities added 24-miles of 24-inch diameter transmission line to the system. This is the largest diameter pipe on its system. Also in 1974 a new Natural Gas Control Centre and No. 1 Gate Station was completed. The \$1 million complex features a supervisory computer control system to monitor and regulate the wide range of gas flows from numerous transmission lines.

Northwestern Utilities serves a number of large customers, the largest being the city of Edmonton power plants. Other large customers are a fertilizer plant, cement plant, chemical plants and major oil refineries in the Edmonton area.

Edmonton is the company's largest market, but the company also serves 152 other communities, including the cities of Red Deer, Grande Prairie, Wetaskiwin and Camrose.

Through the years Northwestern Utilities Limited has built a reputation of dependable natural gas service throughout its area. Its organization is one of dedicated people who, for 50 years, have operated a complicated network of facilities supported by skilled servicemen and trained personnel.

## Canadian Western Natural Gas Company Limited

Canadian Western, the oldest of the utility companies and a pioneer in the natural gas industry, was incorporated in 1911 following the discovery of the Bow Island field in southern Alberta.

In 1912 the company built a 16-inch transmission line, 170 miles in length, from the Bow Island field to Lethbridge and Calgary, with connections to other communities.

Bow Island continued to be the main source of supply until 1922 when the Turner Valley field was connected to Canadian Western's system. Today, however, the major part of the company's annual supply comes from the Jumping Pound — Jumping Pound West and Sarcee fields. Gas was first supplied from these areas in 1951. In 1958 the company developed the Carbon field which, along with Bow Island and Foremost fields, are now used to meet peak demands for natural gas during periods of cold weather. Bow Island has

been used as a storage field since 1930. In addition to these sources, purchases of smaller amounts of gas are made from other producers, notably in the Okotoks and Redland-Strathmore fields. Several towns and communities which are isolated from Canadian Western's main pipe line system are served from the Alberta Gas Trunk Line system.

Canadian Western serves many industrial consumers among the largest of which are fertilizer plants, cement and lime plants and oil refineries. Since 1966, when Canadian Western pioneered the technique of plowing plastic pipe the company has developed an extensive rural gas system in southern Alberta. Service was extended to three major rural areas in 1974; Buffalo Gas Co-op near Brocket, Willow Creek Co-op near Claresholm and Bow North Co-op near Calgary.

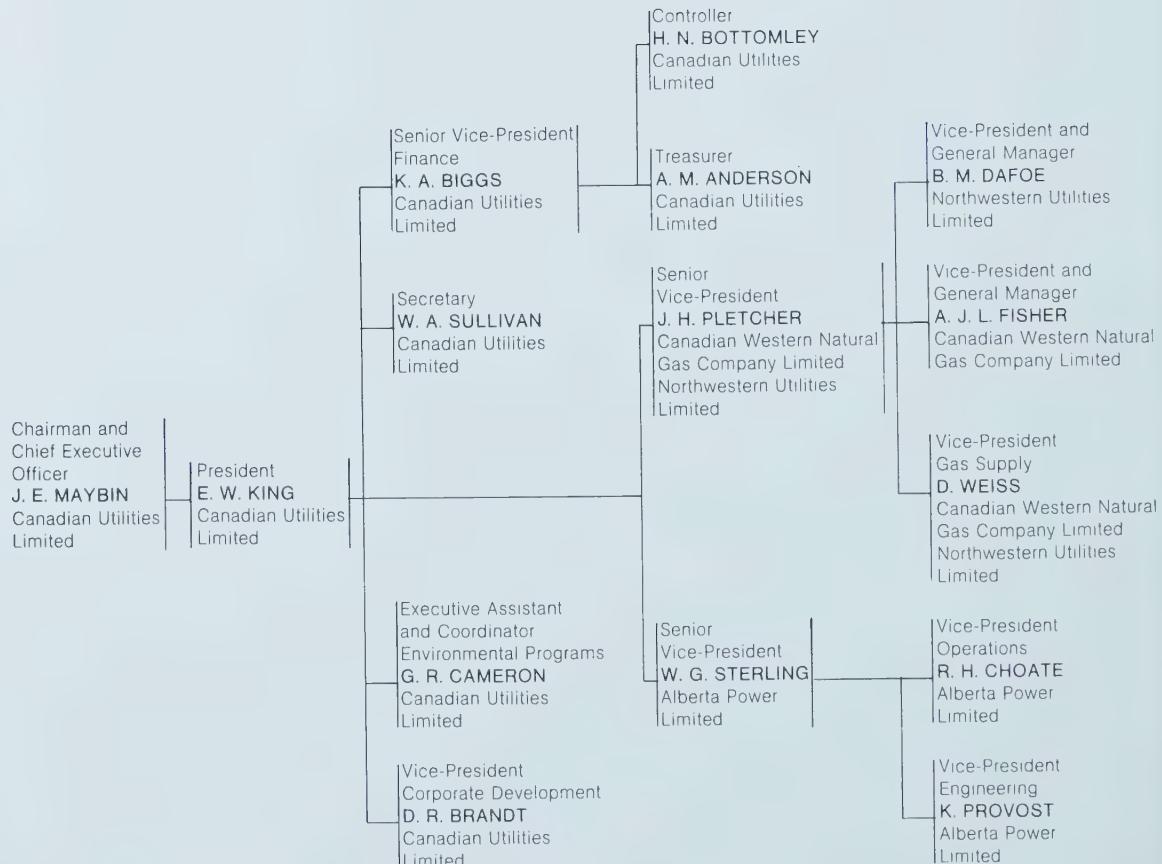
The principal markets are the cities of Calgary and Lethbridge. In total the company today serves 101 communities in southern Alberta.

## Board of Directors

<b>Canadian Utilities Limited</b>	<b>W. S. McGregor *</b>
<b>G. L. Crawford, Q.C.</b> Barrister and Solicitor McLaws & Company Calgary, Alberta.	President Numac Oil & Gas Ltd. Edmonton, Alberta.
<b>W. D. H. Gardiner</b> Deputy Chairman and Executive Vice-President The Royal Bank of Canada Toronto, Ontario.	<b>W. S. McLeese</b> President Trans Canada Freezers Limited Toronto, Ontario.
<b>F. T. Jenner *</b> Company Director Edmonton, Alberta.	<b>J. M. Seabrook</b> Chairman and President IU International Corporation Salem, New Jersey, U.S.A.
<b>E. W. King</b> President Canadian Utilities Limited Edmonton, Alberta.	<b>D. K. Yorath</b> Vice-Chairman IU International Corporation Edmonton, Alberta.
<b>P. L. P. Macdonnell, Q.C.</b> Barrister and Solicitor Milner & Steer Edmonton, Alberta.	
<b>J. E. Maybin</b> Chairman and Chief Executive Officer Canadian Utilities Limited Toronto, Ontario.	<b>Honorary Director</b>
<b>D. R. B. McArthur *</b> Chairman of the Board Inland Cement Industries Limited Edmonton, Alberta.	<b>F. C. Manning</b> Company Director Calgary, Alberta.

\* Member of Audit Committee

## Corporate Organization



**JOHN E. MAYBIN****Chairman and Chief Executive Officer**

Mr. Maybin has been associated with the Alberta utilities since 1949 when he joined the gas companies in Calgary. He became executive vice-president of Canadian Western and Northwestern Utilities in 1965 and president in 1968. He assumed the chairmanship when the four Alberta utilities were brought under common management in 1969. In early 1972 he moved to Philadelphia to become the chairman of General Waterworks Corporation. In July 1974, Mr. Maybin was appointed chairman and chief executive officer of Canadian Utilities Limited and established his office in Toronto. Born in Regina, Mr. Maybin was educated in Alberta. He received his B.Sc. in engineering physics in 1948 from the University of Alberta and his M.Sc. in mechanical engineering from Princeton University.

**EGERTON WARREN KING****President**

Mr. King is a graduate of the University of Alberta with a B.Sc. in electrical engineering. He joined Canadian Utilities Limited in 1956 as transmission and distribution superintendent. In 1958 he became general manager of The Yukon Electrical Company Limited and Yukon Hydro Company Limited at Whitehorse. He moved to Edmonton as executive vice-president of Northland Utilities Limited and became general manager of Canadian Utilities in 1966, and president of these two companies in 1968. Mr. King is president and director of Canadian Utilities Limited and president, chief executive officer and director of its subsidiaries.



## Officers



### KENNETH A. BIGGS

#### Senior Vice-President - Finance

Mr. Biggs joined the company in June 1972, as senior vice-president, Alberta Power Limited, in which position he was responsible for the operating functions of the electrical utilities. In February, 1973, Mr. Biggs was appointed senior vice-president - finance, Canadian Utilities. He resides in Edmonton. Mr. Biggs formerly was vice-president - finance of Celanese Canada Limited, in Montreal. He is a member of the Alberta Institute of Chartered Accountants, and the Tax Executives Institute. He has served as president of the Canadian Society of Industrial Accountants.



### DONALD R. BRANDT

#### Vice-President Corporate Development

Mr. Brandt, formerly president of Trans-Prairie Pipelines Ltd., and Columbia Natural Gas Ltd., joined Canadian Utilities in April, 1972, with responsibility for corporate development. Mr. Brandt served as assistant controller and assistant president of Regent Drilling Company prior to becoming president of the former companies. He is a graduate of the University of Minnesota in business administration.



### WILLIAM A. SULLIVAN

#### Secretary

Mr. Sullivan is secretary of Canadian Utilities and the electrical operating companies, and has served them or their predecessors since 1936. He served first in Melville, Saskatchewan and in 1947 was appointed secretary of Northland. He was the company's first Edmonton employee and established Northland's office there. In 1956 he was elected director of Northland. He has been secretary of Canadian Utilities since 1958. He resides in Edmonton.

## ALLEN M. ANDERSON

### Treasurer

Mr. Anderson first became connected with our companies in 1951 when he was employed as internal auditor. In 1958 he was appointed assistant comptroller for Canadian Utilities and in 1961 was appointed treasurer. In 1965 he also became treasurer of Northland Utilities Limited. In 1969 he became controller for the four companies, and in 1973 was appointed treasurer of Canadian Utilities. Mr. Anderson resides in Edmonton.



## Officers

## HARRY N. BOTTOMLEY

### Controller

Mr. Bottomley joined the organization in 1952 as head office accountant in the treasurer's department of Canadian Utilities. In 1969 he was appointed treasurer of Canadian Utilities and Northland Utilities, and in 1973 was appointed controller of Canadian Utilities Limited. Mr. Bottomley is a Registered Industrial Accountant and a member of the Society of Industrial Accountants, the National Association of Accountants as well as various professional and trade associations. He resides in Edmonton.



## GORDON R. CAMERON

### Executive Assistant & Coordinator of Environmental Programs

Since 1970 Mr. Cameron has been coordinating our companies' environmental planning to insure operations are conducted to minimize undesirable environmental disturbances. Prior to this he was general manager and later president of Canadian Coachways Limited in Edmonton. From 1962 to 1966 Mr. Cameron was Commissioner of the Yukon Territory. He also served four years on the Whitehorse city council two years of which were spent as mayor. He now resides in Edmonton.



## Other Management

## Other Management



**JAMES H. PLETCHER**  
Senior Vice-President  
Canadian Western & Northwestern Utilities

Mr. Pletcher has been associated with Canadian Western and Northwestern Utilities since 1966, joining the companies as gas supply engineer. Later he became manager of gas supply and vice-president gas supply and industrial sales. In February, 1973, Mr. Pletcher was appointed senior vice-president of Canadian Western and Northwestern Utilities. He is a graduate in chemical engineering from the University of British Columbia. Mr. Pletcher is a resident of Edmonton.



**WILSON G. STERLING**  
Senior Vice-President  
Alberta Power Limited

Mr. Sterling joined the company in 1953 as a production engineer for Alberta Power. In 1966 he was named chief production engineer; in 1969 vice-president - production, and in February, 1973, was appointed senior vice-president and senior operating officer of Alberta Power. Mr. Sterling was the first chairman of the steering committee of the Electric Utility Planning Council. He obtained his B.Sc. and M.Sc. in civil engineering from the University of Alberta. Mr. Sterling resides in Edmonton.



## Financial Statistics

The financial statements for 1974 of Canadian Utilities Limited are contained in the annual report of the company.

A copy of the annual report and interim reports are to be found in the pocket on the inside back cover of this manual.

For additional copies of the annual report, write:

Corporate Information Department  
Canadian Utilities Limited,  
10040 - 104 Street,  
Edmonton, Alberta.  
T5J 2V6

**Consolidated  
Statement  
of Earnings**

	1974	1973	1972	1971	1970
<b>NATURAL GAS REVENUES</b>	<b>\$ 91,486</b>	<b>82,066</b>	<b>78,875</b>	<b>70,342</b>	<b>62,972</b>
<b>ELECTRIC REVENUES</b>	<b>46,295</b>	<b>38,305</b>	<b>33,849</b>	<b>30,552</b>	<b>27,666</b>
	<b>137,781</b>	<b>120,371</b>	<b>112,724</b>	<b>100,894</b>	<b>90,638</b>
<b>OPERATING EXPENSES</b>					
Natural gas supply	40,179	35,907	32,357	26,982	22,695
Operating and maintenance	43,572	34,729	33,389	29,103	26,365
Taxes — other than income	8,035	6,829	6,516	5,959	5,288
Depreciation	12,906	11,019	10,134	9,716	9,378
	<b>104,692</b>	<b>88,484</b>	<b>82,396</b>	<b>71,760</b>	<b>63,726</b>
<b>OPERATING INCOME</b>	<b>33,089</b>	<b>31,887</b>	<b>30,328</b>	<b>29,134</b>	<b>26,912</b>
<b>OTHER INCOME</b>					
Interest capitalized during construction	1,601	785	2,170	774	194
Interest and dividends	223	208	466	704	480
Gain on purchase of long-term debt	286	328	36	379	179
Miscellaneous	464	253	306	243	16
	<b>2,574</b>	<b>1,574</b>	<b>2,978</b>	<b>2,100</b>	<b>869</b>
	<b>35,663</b>	<b>33,461</b>	<b>33,306</b>	<b>31,234</b>	<b>27,781</b>
<b>INCOME DEDUCTIONS</b>					
Interest on long-term debt	13,902	11,931	11,033	8,804	6,870
Interest on loans from parent and affiliated companies	262	371	459	263	372
Other interest	2,691	1,153	438	708	1,698
Debt discount and expense amortized	272	235	229	206	168
	<b>17,127</b>	<b>13,690</b>	<b>12,159</b>	<b>9,981</b>	<b>9,108</b>
	<b>18,536</b>	<b>19,771</b>	<b>21,147</b>	<b>21,253</b>	<b>18,673</b>
<b>INCOME TAXES</b>	<b>2,416</b>	<b>4,536</b>	<b>5,054</b>	<b>7,132</b>	<b>6,912</b>
	<b>16,120</b>	<b>15,235</b>	<b>16,093</b>	<b>14,121</b>	<b>11,761</b>
<b>MINORITY INTERESTS</b>	<b>860</b>	<b>860</b>	<b>962</b>	<b>1,226</b>	<b>1,160</b>
<b>NET EARNINGS BEFORE EXTRA- ORDINARY ITEMS</b>	<b>15,260</b>	<b>14,375</b>	<b>15,131</b>	<b>12,895</b>	<b>10,601</b>
<b>EXTRAORDINARY ITEMS — NON- RECURRING GAIN (LOSS)</b>	<b>444</b>		<b>(89)</b>	<b>183</b>	<b>234</b>
<b>NET EARNINGS</b>	<b>\$ 15,704</b>	<b>14,375</b>	<b>15,042</b>	<b>13,078</b>	<b>10,835</b>

## Earnings Contributions

NET EARNINGS	Thousands				
	1974	1973	1972	1971	1970
Canadian Western Natural Gas Company Limited	\$ 3,361	3,586	4,156	3,404	3,117
Northwestern Utilities Limited	5,205	4,420	4,407	4,474	4,195
Alberta Power Limited	7,741	7,467	7,415	5,342	3,923
Northland Utilities Limited*				1,084	791
Canadian Utilities Limited	257	(238)	26		
Total	<u>16,564</u>	<u>15,235</u>	<u>16,004</u>	<u>14,304</u>	<u>12,026</u>
<b>CONSOLIDATING ADJUSTMENTS</b>					
Preferred Dividends to Minority Shareholders:					
Canadian Western Natural Gas Company Limited	\$ 440	440	440	440	440
Northwestern Utilities Limited	420	420	420	420	420
12.3% Minority Interest in Canadian Western Natural Gas Company Limited Net Earnings			102	366	331
	<u>860</u>	<u>860</u>	<u>962</u>	<u>1,226</u>	<u>1,191</u>
<b>CONSOLIDATED NET EARNINGS</b>	<b><u>\$15,704</u></b>	<b><u>14,375</u></b>	<b><u>15,042</u></b>	<b><u>13,078</u></b>	<b><u>10,835</u></b>

\* On August 2, 1972, Alberta Power and Northwestern Utilities acquired all electric and gas utility properties formerly held by Northland Utilities and its subsidiary companies. Net earnings for 1972 have been consolidated with Alberta Power and Northwestern Utilities. Earnings contributed by Northland gas and electric properties for 1972 were \$796,000.

## Net Earnings Per Common Share

	(Dollars)	Includes Extraordinary Gain (Loss)	Common Shares used in computing earnings per share
1974 Basic	1.28	.04	10,075,466
Fully Diluted	1.08	.03	14,215,944
1973 Basic	1.15	—	10,064,946
Fully Diluted	.99	—	14,215,944
1972 Basic	1.22	(.01)	10,062,646
Fully Diluted	1.04	(.01)	14,215,944
1971 Basic	1.05	.02	10,056,024
Fully Diluted	.92	.01	13,766,704
1970 Basic	.93	.03	8,948,528
Fully Diluted	.82	.02	12,669,208

## Quarterly Earnings Per Common Share

	1974		1973		1972	
	Basic	Fully Diluted	Basic	Fully Diluted	Basic	Fully Diluted
1st Quarter	\$ .70	.54	.69	.53	.79	.61
2nd Quarter	.31	.26	.25	.22	.24	.21
6 Months	1.01	.80	.94	.75	1.03	.82
3rd Quarter	(.03)	.02	(.03)	.02	(.04)	.01
9 Months	.98	.82	.91	.77	.99	.83
4th Quarter	.30	.26	.24	.22	.23	.21
For the year	\$ 1.28	1.08	1.15	.99	1.22	1.04
Dividends per Share	\$ .59		.55		.52	

The above figures have been adjusted to take into account the 4 for 1 split in common shares — September 15, 1972.

## Common Stock Statistics

	1974	1973	1972	Thousands
Common Shareholders' Equity				
— common share	\$ 65,429	65,324	65,301	
— less excess of value of shares of subsidiary companies over underlying net book values at December 31, 1971	17,567	17,567	17,567	
— retained earnings	40,009	33,595	27,542	
Total	\$ 87,871	81,352	75,276	
Shares Outstanding — average	10,070,186	10,063,776	10,059,335	
— end of year	10,075,466	10,064,906	10,062,646	
Earnings Per Share — actual	\$ 1.28	1.15	1.22	
— fully diluted	\$ 1.08	.99	1.04	
Common Dividends Declared — total	\$ 5,943	5,535	5,231	
Shareholders' Equity Per Share at Year End	\$ 8.72	8.08	7.48	

**Consolidated  
Balance  
Sheet**

	1974	1973	1972
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 36	502	654
Marketable securities — at cost (market value 1974 - \$466; 1973 - \$654)	522	522	522
Accounts receivable	33,248	15,491	14,156
Materials and supplies — at average cost	9,546	5,313	4,848
Prepaid expenses	1,699	534	372
	<u>45,051</u>	<u>22,362</u>	<u>20,552</u>
<b>TRUST ASSETS HELD FOR RURAL CO-OPERATIVE LINES, PER CONTRA</b>	6,572	6,136	5,867
<b>TRUST ASSETS HELD FOR INCOME TAX REBATE FOR CONSUMERS, PER CONTRA</b>	2,153		
<b>ACCOUNTS RECEIVABLE DUE BEYOND ONE YEAR</b>	1,394	1,194	1,314
<b>PROPERTY, PLANT AND EQUIPMENT AT COST</b>	538,665	470,308	435,847
Accumulated depreciation	<u>125,191</u>	<u>114,547</u>	<u>105,574</u>
	<u>413,474</u>	<u>355,761</u>	<u>330,273</u>
<b>UNAMORTIZED DEBT DISCOUNT AND DEFERRED EXPENSES</b>	6,365	5,086	4,512
<b>GOODWILL</b>	<u>533</u>	<u>547</u>	<u>562</u>
	<u><u>\$475,542</u></u>	<u><u>391,086</u></u>	<u><u>363,080</u></u>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

	1974	1973	1972
<b>CURRENT LIABILITIES</b>			
Due to bank and notes payable	\$ 6,057	26,473	18,500
Accounts payable and accrued liabilities	37,159	16,139	14,075
Owing to parent and affiliated companies	45	3,609	5,033
Long-term debt — current maturities	4,252	2,242	3,153
Deposits	1,521	1,173	1,055
Income and other taxes	<u>3,530</u>	<u>3,482</u>	<u>2,746</u>
	<u>52,564</u>	<u>53,118</u>	<u>44,562</u>
<b>AMOUNTS HELD IN TRUST, PER CONTRAS</b>	8,725	6,136	5,867
<b>MISCELLANEOUS LIABILITIES</b>	1,011	1,037	984
<b>NOTES PAYABLE</b>	<u>42,078</u>		
<b>NOTE PAYABLE TO AFFILIATED COMPANY, 7 1/2%, due November 15, 1978</b>	3,500		
<b>LONG-TERM DEBT</b>	<u>194,535</u>	<u>167,512</u>	<u>155,958</u>
<b>DEFERRED INCOME TAXES</b>	1,187	1,428	1,650
<b>CONTRIBUTIONS FOR EXTENSIONS TO PLANT</b>	18,110	14,437	12,697
<b>MINORITY INTERESTS</b>	<u>20,008</u>	<u>20,008</u>	<u>20,008</u>
<b>SHAREHOLDERS' EQUITY</b>			
Preferred shares	45,953	46,058	46,078
Common shares	<u>65,429</u>	<u>65,324</u>	<u>65,301</u>
	<u>111,382</u>	<u>111,382</u>	<u>111,379</u>
Less excess value of shares of subsidiary companies over underlying net book value at December 31, 1971	<u>17,567</u>	<u>17,567</u>	<u>17,567</u>
	<u>93,815</u>	<u>93,815</u>	<u>93,812</u>
Retained earnings	<u>40,009</u>	<u>33,595</u>	<u>27,542</u>
	<u><u>133,824</u></u>	<u><u>127,410</u></u>	<u><u>121,354</u></u>
	<u><u><u>\$475,542</u></u></u>	<u><u><u>391,086</u></u></u>	<u><u><u>363,080</u></u></u>

## Authorized:

40,000 5% Cumulative Redeemable Preferred Shares of the par value of \$100 each.

150,000 series preferred shares of the par value of \$100 each, issuable in series, of which 15,000 shares have been designated as Cumulative Redeemable Preferred Shares, 4 1/4% Series and 50,000 shares designated as Cumulative Redeemable Preferred Shares, 6% Series.

4,000,000 series preferred shares of the par value of \$25 each, issuable in series, of which 1,200,000 shares have been designated as 10 1/4% Cumulative Redeemable Series Second Preferred Shares Series A.

1,780,000 \$1.25 Cumulative Redeemable Convertible Preferred Shares of the par value of \$20 each, convertible into 2 common shares up to January 15, 1982 and into 1.6 common shares up to January 15, 1992 and having one vote in respect of each two shares. The conversion rates are subject to adjustment under certain circumstances.

## Issued:

	1974		1973	
	Number of Shares	Value of Shares	Number of Shares	Value of Shares
Issued and redeemable at the option of the company on thirty days notice:				
5% series (redeemable at \$104 per share)	40,000	\$4,000,000	40,000	\$4,000,000
4 1/4% series (redeemable at \$102.50 per share)	15,000	1,500,000	15,000	1,500,000
6% series (redeemable at \$105 per share on or before February 1, 1972, thereafter reducing at various dates to a minimum redemption price of \$101 per share)	50,000	5,000,000	50,000	5,000,000
Issued and non-redeemable up to January 1, 1982 (unless the number of shares outstanding is equal to or less than 75,000), thereafter redeemable at the option of the company on thirty days notice at \$20 per share:				
\$1.25 preferred shares				
Balance at beginning of year	1,777,939	35,558,780	1,778,889	35,577,780
Converted at varying dates into common shares without nominal or par value	(5,280)	(105,600)	(950)	(19,000)
Issued and outstanding	<u>1,772,659</u>	<u>35,453,180</u>	<u>1,777,939</u>	<u>35,558,780</u>
Balance at end of year		<u>\$45,953,180</u>		<u>\$46,058,780</u>

## Authorized:

30,000,000 without nominal or par value

## Issued:

	1974		1973	
	Number of Shares	Value of Shares	Number of Shares	Value of Shares
Balance at beginning of year	10,064,906	\$65,323,912	10,062,646	\$65,301,672
Issued on conversion of \$1.25 preferred shares	10,560	105,600	1,900	19,000
Issued on exercise of share purchase warrants			360	3,240
Balance at end of year	<u>10,075,466</u>	<u>\$65,429,512</u>	<u>10,064,906</u>	<u>\$65,323,912</u>

At December 31, 1974 the company has reserved 4,140,478 common shares for issue as follows:

In connection with share purchase warrants outstanding exercisable at a price of \$9 per share (price is subject to adjustment in certain circumstances).

The warrants expire May 15, 1978 595,160

In connection with the \$1.25 cumulative redeemable convertible preferred shares 3,545,318  
4,140,478

Canadian Utilities Limited Series A debentures issued prior to January 5, 1972 restructuring were issued with detachable warrants to purchase 40 common shares which are now exercisable at \$9 per share for each \$1,000 debenture. As a result of the restructuring the warrants are now an

obligation to Canadian Utilities Limited and the debentures are a liability of Alberta Power Limited. At December 31, 1974 warrants to purchase 595,160 shares were outstanding. Warrants expire May 15, 1978.

## Warrants

The trust deeds and debentures of the above companies securing first mortgage bonds and sinking fund debentures place limitations on these companies and their subsidiaries including restrictions on the payment of dividends on their

common and ordinary shares upon the redemption or repayment of their preferred preference, common and ordinary shares. To December 31, 1974 all of the conditions of the trust deeds and indentures have been met.

## Dividend and Share Redemption Restrictions

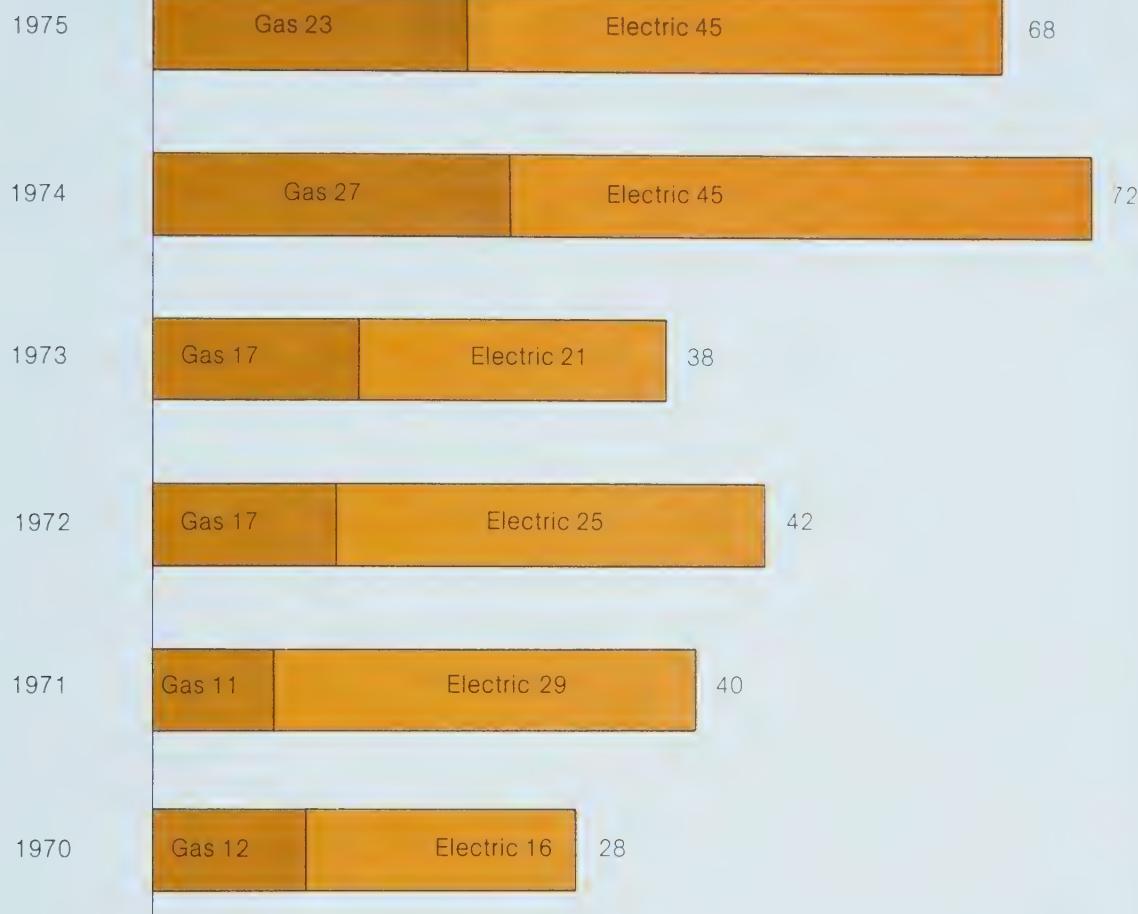
Long-term  
Debt

SINKING FUND

	Authorized	Total	Thousands					
			Current	Maturities	1976	1977	1978	1979
<b>Canadian Utilities Limited:</b>								
8 3/8 % debentures 1972 Series, due March 1, 1992	\$ 30,000	30,000			900	900	900	900
8 3/4 % debentures 1973 Series, due July 2, 1993	15,000	15,000				882	882	882
9 1/8 % debentures 1974 Series, due March 15, 1994	15,000	15,000					882	882
11 1/2 % debentures 1974 - 2nd Series, due October 1, 1994	17,500	17,500					600	600
	<u>\$ 77,500</u>	<u>77,500</u>			<u>900</u>	<u>1,782</u>	<u>3,264</u>	<u>3,264</u>
<b>Alberta Power Limited:</b>								
First mortgage sinking fund bonds:								
Series C — 3 2/5 %, due December 1, 1975	3,000	1,827	1,827					
Series D — 4 1/4 %, due November 1, 1979	4,000	3,400	40	40	40	40	3,240	
Series E — 4 1/8 %, due April 1, 1981	4,000	3,106	44	67	67	67	67	
Series F — 5 1/2 %, due December 1, 1986	5,000	5,000						
Series G — 5 5/8 %, due June 1, 1990	12,000	12,000						
Series H — 6 1/2 %, due February 1, 1992	8,000	8,000						
Sinking fund debentures:								
Series A — 7 1/4 %, due May 15, 1988	15,000	13,922		172	250	250	500	
Series B — 9 5/8 %, due December 15, 1991	9,000	8,841	141	150	150	150	150	
Series C — 8%, due June 1, 1976	10,000	10,000	10,000					
	<u>\$ 70,000</u>	<u>66,096</u>	<u>2,052</u>	<u>10,429</u>	<u>507</u>	<u>507</u>	<u>3,957</u>	
<b>Canadian Western Natural Gas Company Limited</b>								
First mortgage sinking fund bonds:								
Series B — 5 3/4 %, due February 1, 1982	7,000	3,882		172	185	185	185	
Series C — 5 3/8 %, due April 1, 1983	4,500	2,752	82	115	115	115	115	
Series D — 5 5/8 %, due May 1, 1989	5,000	3,875	125	125	125	125	125	
Series E — 7%, due June 15, 1992	7,000	5,950	175	175	175	175	175	
Sinking fund debentures:								
9 3/4 %, due December 1, 1990	10,000	9,199	324	375	375	375	375	
	<u>\$ 33,500</u>	<u>25,658</u>	<u>706</u>	<u>962</u>	<u>975</u>	<u>975</u>	<u>975</u>	
<b>Northwestern Utilities Limited:</b>								
First mortgage sinking fund bonds:								
Series E — 3 5/8 %, due December 15, 1975	5,000	835	835					
Series F — 4 3/4 %, due January 15, 1979	4,500	1,192	238	239	238	239	238	
Series G — 5 3/8 %, due April 15, 1983	7,000	4,019		124	185	185	185	
Series H — 5 3/4 %, due March 1, 1988	12,000	8,210		304	315	315	315	
Series I — 6 1/2 %, due May 1, 1992	5,000	4,090	130	130	130	130	130	
Series J — 9 3/4 %, due December 15, 1994	8,000	6,918	166	208	208	208	208	
Sinking fund debentures:								
Series C — 6 3/4 %, due May 1, 1977	1,000	545		20	525			
Series D — 6 3/4 %, due December 1, 1978	1,000	594	19	25	25	525		
Series E — 7 1/4 %, due October 15, 1985	4,100	3,130	106	106	106	106	106	
	<u>\$ 47,600</u>	<u>29,533</u>	<u>1,494</u>	<u>1,156</u>	<u>1,732</u>	<u>1,708</u>	<u>1,182</u>	
Total long-term debt		<u>\$228,600</u>	<u>198,787</u>	<u>4,252</u>	<u>13,447</u>	<u>4,996</u>	<u>6,454</u>	<u>9,378</u>
Deduct current maturities				<u>4,252</u>				
Long-term debt less current maturities				<u>194,535</u>				

(Millions of Dollars)

## Capital Expenditures



To meet ever increasing demands for service, expenditures on Canadian Utilities' construction and expansion programs during the last five years ended December 31, 1974 amounted to \$220

million. For the year 1975 construction and expansion programs scheduled will amount to \$68 million.

## 1975 Capital Plans

Details of planned 1975 expenditures are as follows:

(Millions of Dollars)

	Production	Transmission	Distribution	Other	Total
<b>ELECTRIC:</b>					
1975	27	11	6	1	45
<b>GAS:</b>					
1975	2	6	14	1	23

**Alberta Power  
Electric  
Customers**

Customers and population as at December 31, 1974.

	Communities	Customers	Estimated Population
Incorporated communities	95	56,205	184,550
Communities with 10 customers or more	184	9,592	36,175
Communities with less than 10 customers	70	199	394
Beach resorts	15	49	152
	364	66,045	221,271
Company-owned rurals	9	520	2,030
REAL rurals	169	18,891	77,234
Miscellaneous *	64	3,366	271
Total	606	88,822	300,806

\* Includes oil fields, isolated microwave, mines, etc.

Cities	Customers	Estimated population
Grande Prairie	6,263	23,681
Whitehorse, Yukon	4,427	14,928
Lloydminster, Alberta/Sask.	3,409	11,195
Drumheller, Alberta	2,280	7,443
	16,379	57,247

**Communities with 100  
or more customers**

	Cust.	Est. Pop.		Cust.	Est. Pop.		Cust.	Est. Pop.
Alliance	145	390	Fort McMurray	3,805	10,089	Rainbow Lake	161	498
Andrew	302	909	Fort Providence	109	362	Rosedale (aerial)	171	539
Ardmore	105	341	Fort Vermilion	277	939	Ross River	120	339
Assumption	130	397	Fox Creek	561	2,156	Rycroft	227	759
Beaverlodge	554	1,993	Galahad	103	279	Saddle Lake I.R.	243	869
Berwyn	221	759	Girouxville	155	481	St. Paul	1,525	5,097
Big Valley	171	516	Glendon	195	592	Sexsmith	295	1,005
Blackfoot	103	326	Goldfish Lake	114	413	Slave Lake	1,241	4,406
Bonnyville	1,056	3,422	Grande Cache	907	3,596	Smith	159	551
Calais	112	450	Grand Centre	1,036	3,498	Smoky Lake	452	1,366
Carbon	225	623	Grimshaw	613	2,143	Spirit River	426	1,433
Carcross	119	372	Haines Junction	139	335	Stettler	1,772	5,570
Carmackas	101	263	Hanna	1,148	3,534	Swan Hills	676	2,514
Castor	505	1,532	Hay River	1,267	4,172	Teslin	127	364
Cereal	117	336	Heisler	103	283	Three Hills	691	2,120
Clairmont	198	781	High Level	545	1,777	Torrington	103	264
Cold Lake	520	1,794	High Prairie	965	3,435	Trochu	350	1,012
Consort	294	860	Hines Creek	249	811	Two Hills	476	1,437
Coronation	485	1,425	Hythe	216	719	Valleyview	691	2,324
Delburne	231	657	Innisfree	163	437	Vegreville	1,688	5,685
Delia	153	393	Jasper	1,129	3,624	Vermilion	1,242	4,002
Derwent	101	286	Kinuso	148	507	Veteran	162	485
Desmarais	110	410	Kitscoty	172	508	Vilna	201	564
Donalda	131	348	La Crete	135	459	Wabasca	132	512
Donnelly	102	366	Linden	137	413	Wanham	119	370
Eaglesham	108	335	Manning	424	1,473	Waskatenau	144	412
East Coulee	138	478	Manville	351	1,076	Watson Lake	429	1,123
Elk Point	383	1,175	Marwayne	195	568	Wembley	184	666
Elnora	131	367	Morrin	122	340	Willingdon	208	580
Empress	138	393	Mundare	321	973	Youngstown	139	397
Enilda	104	366	Myrnam	217	639			
Erskine	106	332	McLennan	385	1,358			
Fairview	859	2,990	Nacmine	126	443			
Falher	420	1,394	Nampa	136	454			
Faust	126	463	Oyen	416	1,184			
Forestburg	341	1,001	Peace River	1,805	6,386			
Fort Chipewyan	232	549	Radway	122	330			

## Electric Operations



### ELECTRIC SYSTEM

AREAS SERVICED BY  
ALBERTA POWER LIMITED

MAJOR COMPANY TRANSMISSION  
LINES

MAJOR COMPANY TRANSMISSION  
LINES UNDER CONSTRUCTION

GENERATING PLANTS

POWER LINES OWNED BY OTHERS

## Customer Analysis

Customers	Communities	Pop.
1 — 9	85	546
10 — 25	68	10,310
26 — 100	103	15,327
101 — 250	62	28,839
251 — 500	18	21,143
501 — 1,000	12	28,374
1,001 — 5,000	15	93,051
5,001 — 10,000	1	23,681
Company Owned Rurals		
520	9	2,030
R.E.A.L. Rurals		
18,891	169	77,234
Other		
3,366	64	271
Total	606	300,806

BOARD OF DIRECTORS

**K. A. BIGGS, Edmonton**  
Senior Vice-President, Finance  
Canadian Utilities Limited  
**R. N. DALBY, Edmonton**  
Consultant  
**DR. G. FORD, Edmonton**  
Dean, Faculty of Engineering  
The University of Alberta  
**R. B. HOUGEN, Whitehorse**  
President  
Hougen's Ltd.  
**E. W. KING, Edmonton**  
President  
Canadian Utilities Limited  
**J. E. MAYBIN, Toronto**  
Chairman & Chief Executive Officer  
Canadian Utilities Limited  
**A. F. SHORTELL, Lloydminster**  
President  
CKSA & CKSA TV  
**D. K. YORATH, Edmonton**  
Vice-Chairman  
IU International Corporation

HONORARY DIRECTOR

**L. F. SNYDER, Calgary**

Canadian Utilities is engaged, through Alberta Power and its subsidiaries in the business of generating, transmitting and distributing electric energy for industrial, commercial and residential uses, in an area of approximately 85,000 square miles.

It provides electric energy service principally in the areas of east-central and northern Alberta and to a lesser extent in the Yukon Territory and the Northwest Territories.

For the year ended December 31, 1974, sales by class of customer were as follows:

	Thousands of kilowatt hours	Per cent of total
Industrial	1,005,120	52
General Commercial	332,494	17
Residential	322,600	17
REA and other	260,194	14
	1,920,408	100

OFFICERS

**E. W. KING**  
President and Chief Executive Officer  
**W. G. STERLING**  
Senior Vice-President  
**K. PROVOST**  
Vice-President, Engineering  
**R. H. CHOATE**  
Vice-President, Operations  
**W. A. SULLIVAN**  
Secretary  
**A. M. ANDERSON**  
Treasurer  
**L. J. WILSON**  
Controller  
**H. BROWN**  
Assistant Secretary & Assistant Treasurer  
**MRS. E. M. SLIPPER**  
Assistant Secretary  
**D. J. FLORY**  
Assistant Secretary

The company now serves more than 135 different oil companies at some 3,460 locations.

Supply of electric service to oil and gas fields accounted for 28 per cent of the total revenue in 1974.

The aggregate population of the areas served is about 300,800, and service is provided to approximately 88,800 customers.

The company owns and operates 6,706 miles of transmission lines and 5,004 miles of distribution lines. In addition power is provided for 16,969 miles of Rural Electrification Association lines. At the end of 1974 there were 19,845 farm customers receiving electric service in the company operating areas, of which 18,891 are members of 169 Rural Electrification Associations. It is estimated that over 95 per cent of the occupied farms in the operating areas are now electrified. In 1974 the average farmer used 11,709 kilowatt hours.

Alberta Power owns 33 generating plants, of which eight are part of the Alberta inter-connected grid system. An additional 150,000 kilowatt unit will be commissioned at the Battle River station in 1975.

In 1974 more than 74 per cent of the company's electrical energy generation was produced from coal, with the remainder largely provided by natural gas. The quantity of coal required by Alberta Power for 1975 is estimated at 1.2 million tons. This coal is purchased from mines adjacent to the generating stations.

**Power Stations**

**COAL-FIRED STEAM TURBINE**

	Capacity (Kw)	Net Kwh (000's)
Battle River	212,000	973,619
Drumheller	15,000	4,139
H. R. Milner	150,000	267,558
	377,000	1,245,316

**GAS-FIRED STEAM TURBINE**

Vermilion	8,000
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**GAS TURBINE**

Simonelette	20,000	106,069
Sturgeon	18,500	86,388
Rainbow	58,000	126,538
	96,500	318,995

**GAS INTERNAL COMBUSTION**

Fairview	953
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**OIL DIESEL**

Various	38,150	105,926
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**HYDRO**

2 Plants	3,050	16,206
	522,700	

**NET GENERATED**

Net Purchased	1,687,396
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Net Interchange Received	247,762
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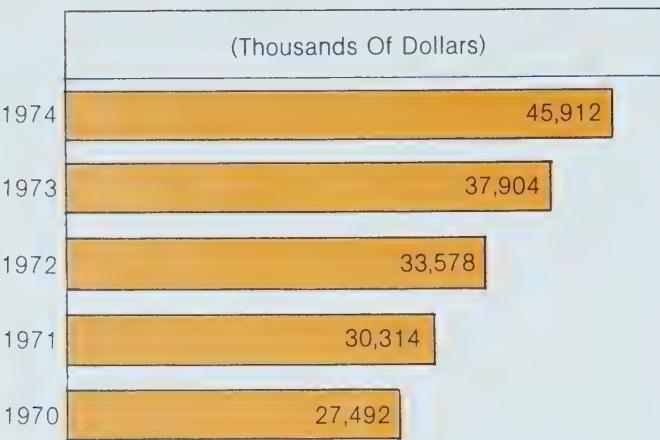
NET SYSTEM Kwhr	252,027
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	2,187,185
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**OTHER STATISTICS**

	1974	1973	1972	1971	1970
System load factor (per cent)	64	63	59	57	54
Gross plant additions (\$000)	45,021	21,377	24,719	29,023	16,293
Gross plant (\$000)	260,743	218,202	198,165	175,477	147,521
Plant capacity (thousands of kilowatts)	523	522	520	367	370
Miles of power lines	11,710	11,245	10,823	9,951	9,715
Maximum demand (thousands of kilowatts)	388	376	342	295	281

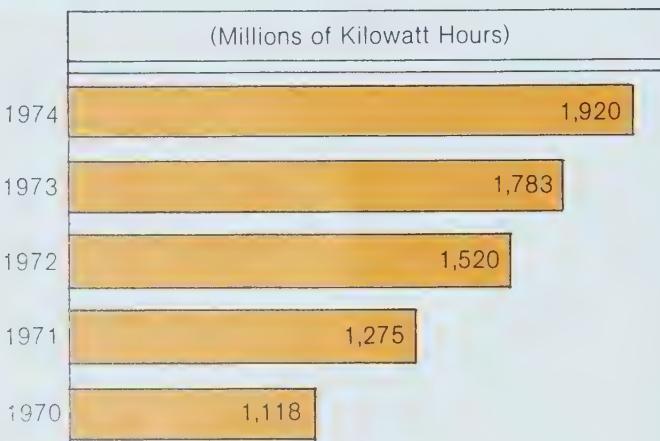
## Revenue



Residential	Commercial	Industrial	REA & Other	Total
9,632 21%	13,586 30%	16,759 36%	5,935 13%	45,912 100%
8,203 22%	12,841 34%	13,459 35%	3,401 9%	37,904 100%
7,612 23%	11,698 35%	11,076 33%	3,192 9%	33,578 100%
6,864 23%	10,735 35%	9,570 32%	3,145 10%	30,314 100%
6,224 23%	9,752 35%	8,200 30%	3,316 12%	27,492 100%

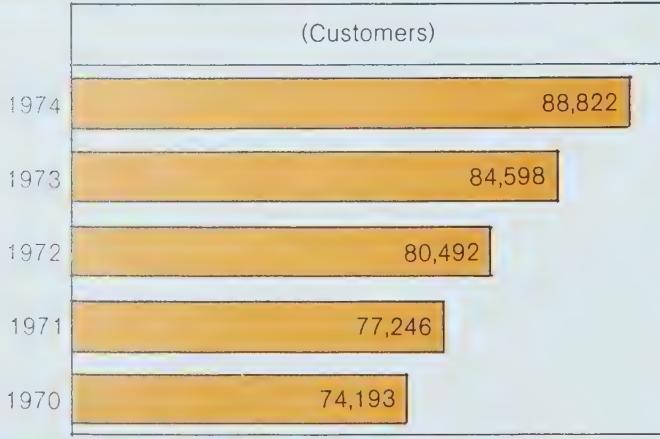
In the chart above, electric revenues include only those resulting directly from the sale of electric energy. Electric revenues per financial statements include other miscellaneous operating revenues.

## Sales



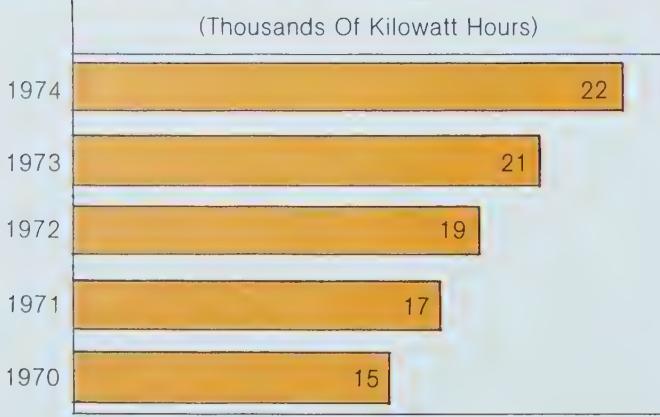
Residential	Commercial	Industrial	REA & Other	Total
323 17%	332 17%	1,005 52%	260 14%	1,920 100%
290 16%	320 18%	978 55%	195 11%	1,783 100%
268 18%	290 19%	779 51%	183 12%	1,520 100%
236 18%	262 21%	596 47%	181 14%	1,275 100%
212 19%	242 22%	506 45%	158 14%	1,118 100%

## Electric Customers



Residential	Commercial	Industrial	REA & Other	Total
52,406 59%	13,354 15%	2,895 3%	20,167 23%	88,822 100%
49,370 58%	13,273 16%	2,536 3%	19,419 23%	84,598 100%
46,391 57%	12,804 16%	2,173 3%	19,124 24%	80,492 100%
43,934 57%	12,490 16%	1,806 2%	19,016 25%	77,246 100%
41,718 56%	11,967 16%	1,654 2%	18,854 26%	74,193 100%

## Average Use Per Customer



Residential	Commercial	Industrial	REA & Other	Total
6	25	347	13	22
6	24	386	10	21
6	23	358	10	19
5	21	330	10	17
5	20	306	9	15

## Electric Franchises

The company distributes electric energy under the authority of franchises in incorporated communities and in other areas under permits or orders issued pursuant to applicable statutes.

The franchises under which service is provided in incorporated communities have been granted for periods of up to 20 years. These franchises are exclusive to the member companies of Canadian

Utilities and are renewable by agreement for further periods not exceeding 10 years each. If not renewed the municipality may purchase the facilities used in connection with the franchise at a price to be agreed upon or, failing agreement, to be established by the Public Utilities Board of Alberta or other regulatory authority having jurisdiction.

A series of interconnections established over the years between the various electric utility systems in Alberta have facilitated the interchange of power and capacity to the mutual advantage of the utilities.

Transmission line interconnections exist between the cities of Edmonton, Lethbridge and Medicine Hat and the systems of the Alberta Power Limited

and Calgary Power Ltd., all of which are referred to as the Provincial Grid or the Alberta Grid. There are some 24 interconnections between the Alberta Power and Calgary Power alone. There is also an interconnection between the Alberta Grid and the B.C. Hydro system and studies are underway regarding a tie with the Saskatchewan system.

## Alberta Grid

The Alberta Statutes under which it operates charge the Energy Resources Conservation Board with certain energy resource management and environmental management functions with regard to oil, gas, oil sands, pipe lines, hydro and electric energy and coal. The energy resource management functions include appraisal of reserves, regulation of exploration, development, pipe lines and transmission lines, insurance of safety, prevention of waste, protection of correlative rights, appraisal of productive capacity,

appraisal of Alberta requirements, appraisal of markets outside Alberta, the recording and publishing of statistics, and advising of the government. The environment management functions are carried out with reference to and in consultation with the Department of Environment and include the regulation in the energy resource sector of land use, surface water use, subsurface water use, land contamination, surface water pollution, subsurface water pollution, and atmosphere pollution.

## Energy Resources Conservation Board

The Electric Utility Planning Council was formed in 1972 as the need for integrated and long range planning for the province's electrical needs became an obvious requisite for meeting the demands of this century.

Dedicated initially to formulating a systematic schedule for power plant construction for this century, the EUPC formalizes an energy planning relationship that has existed between the province's utilities for many years.

The initial work of the EUPC is one of organization and investigation of the energy needs for this century.

The role of the EUPC is one of planning, not

building and operating power plants. The council will provide this coordinated plan of action for the future, but individual utilities — or perhaps a joint agreement between two or more utilities — will have the ultimate responsibility for constructing and operating future power plants.

The members of the EUPC are Alberta Power Limited, Calgary Power Ltd. and the municipal utilities of Calgary, Edmonton, Lethbridge, Medicine Hat and Red Deer and the provincial Co-operatives Activities Branch. Observing members include representatives of the Provincial Minister of Telephones and Utilities, the Energy Resources Conservation Board and the Public Utilities Board.

## Electric Utility Planning Council

The electrification of rural Alberta had its beginnings during the period 1942-1944. By 1947 it had become apparent that the availability of centrally generated electric power on the farm would virtually be a requisite of postwar rural life; was technically and economically feasible within certain limits; and would require the combined efforts of the farm community, the investor-owned power companies and the provincial government.

In 1948, the process of creating a major rural electric distribution system began. Rural Electrification Associations were formed by the farmers on a co-operative basis for the purpose of owning and managing the affairs of their individual systems. The provincial government provided organizational assistance, counselling and low-cost loans to the REAs. The power companies provided generation and transmission facilities at

their own expense, sold power to the REAs and acted as agent of the REAs for the design, construction, operation and maintenance of the rural systems.

Each REA is an independent legal entity with its own board of directors and officers who are charged with the fulfillment of the legal operating requirements of a limited liability company, carrying on the business of electric distribution within the province.

Today over 60,000 farm customers and their families are served by 380 REAs ranging in size from about ten to over 400 members and owning, in total, over 45,000 circuit miles of distribution line. Some 168 of these REAs are served by Alberta Power Limited with the remainder being serviced by Calgary Power Ltd.

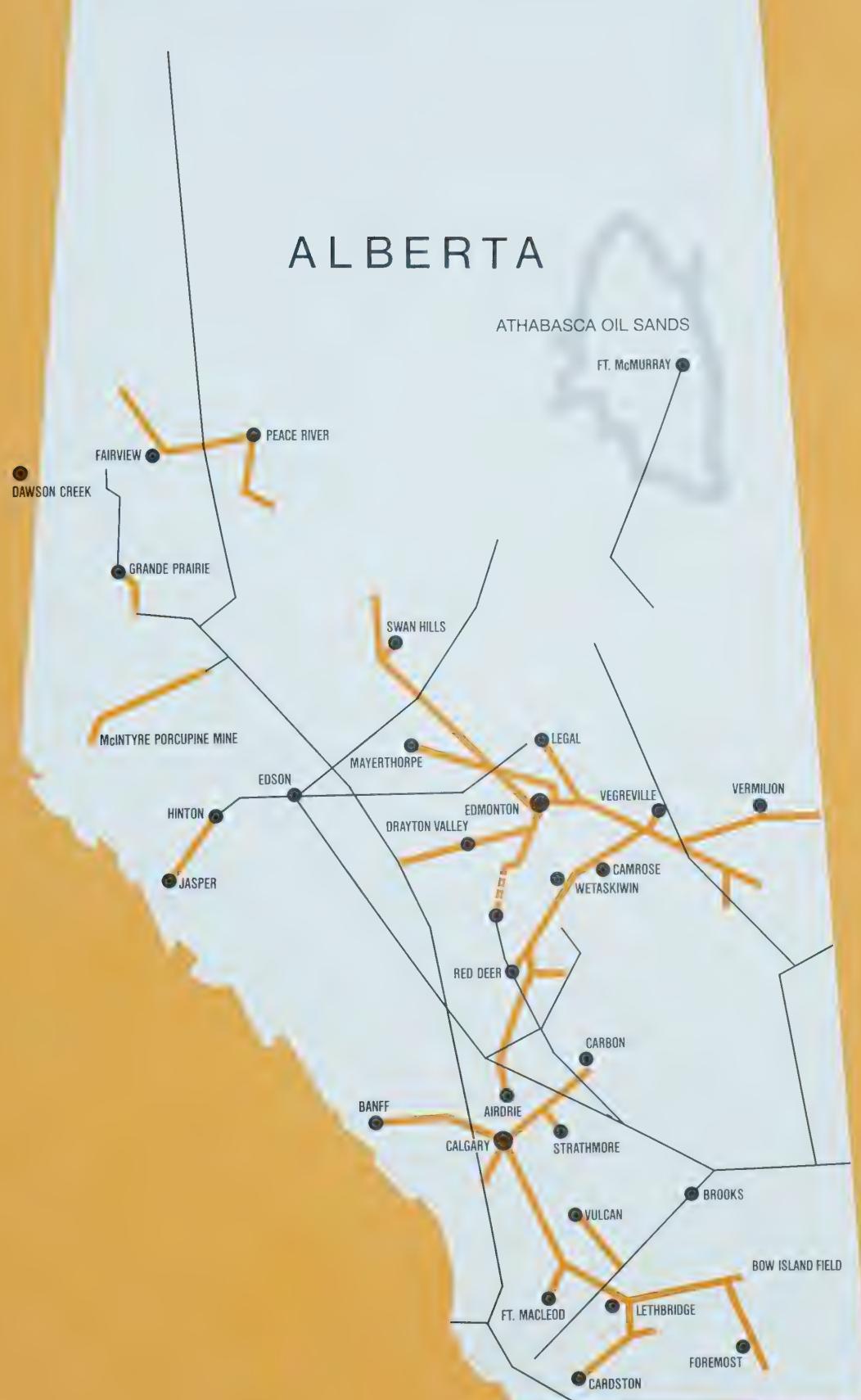
## Rural Electrification Associations

**Natural  
Gas  
Customers**

**Customers and population as at December 31, 1975**

			<u>Total Served</u>
	Customers		353,331
	Communities		254
	Estimated Population		1,316,602
<b>Cities</b>		<b>Customers</b>	<b>Estimated Population</b>
Calgary		119,821	446,889
Camrose		2,906	9,300
Metropolitan Edmonton:			
Edmonton		106,166	450,350
St. Albert		5,820	20,900
Sherwood Park		6,734	26,250
Grande Prairie		4,586	15,530
Lethbridge		14,166	44,816
Red Deer		7,666	29,500
Wetaskiwin		2,191	6,610
Dawson Creek, B.C.		3,404	12,250
		273,460	1,062,395

			<u>Cust.</u>	<u>Est.</u> <u>Pop.</u>		<u>Cust.</u>	<u>Est.</u> <u>Pop.</u>
<b>Communities with 100 or more customers</b>		Duchess	123	262	Nobleford	147	420
	<u>Cust.</u>	Eckville	283	750	Okotoks	576	1,449
	<u>Est.</u> <u>Pop.</u>	Edson	1,149	4,100	Olds	1,180	3,623
Acme	147	Elnora	111	211	Onoway	207	490
Airdrie	411	Entwistle	146	380	Oyen	348	960
Alberta Beach	343	Evansburg	228	570	Peace River	1,300	5,100
Alix	228	Exshaw	142	593	Penhold	155	526
Ardrosson	117	Fairview	733	2,380	Picture Butte	423	1,121
Banff	1,069	Falher	305	980	Ponoka	1,565	4,500
Barons	129	Foremost	231	579	Pouce Coupe, B.C.	231	600
Bashaw	326	Fort Macleod	987	2,807	Provost	567	1,500
Bassano	348	Fort McMurray	2,661	11,500	Raymond	689	2,210
Beaverlodge	416	Fort Saskatchewan	2,029	7,650	Rimbey	560	1,470
Beiseker	164	Fox Creek	383	1,650	Rockyford	123	302
Bellevue	412	Gibbons	203	830	Rocky Mtn. House	940	3,200
Bentley	260	Girouxville	108	330	Rycroft	188	490
Berwyn	187	Granum	148	343	Ryley	197	440
Big Valley	137	Grimshaw	517	1,760	Sangudo	164	360
Black Diamond	414	Hardisty	216	610	Seba Beach	163	170
Blackfalds	285	High River	1,191	3,139	Sexsmith	250	640
Blairmore	769	Hillcrest	212	555	Shaughnessy	104	296
Bon Accord	231	Hines Creek	181	500	Spirit River	355	1,170
Bowden	249	Hinton	1,408	5,800	Spruce Grove	1,516	5,700
Bragg Creek	234	Holden	234	440	Standard	117	304
Breton	179	Hughenden	122	250	Stavely	167	362
Brooks	1,864	Hythe	183	540	Stirling	167	457
Bruderheim	178	Innisfail	890	2,539	Stony Plain	828	2,180
Canmore	730	Innisfree	140	230	Strathmore	433	1,273
Carbon	168	Irma	190	430	Swan Hills	354	2,280
Cardston	1,056	Jasper	757	3,950	Sylvan Lake	710	1,680
Carmangay	114	Lacombe	1,258	3,520	Taber	1,667	4,840
Caroline	133	Lamont	337	910	Thorsby	297	620
Carstairs	312	Legal	212	750	Tofield	430	1,090
Champion	126	Linden	112	291	Trochu	300	748
Clairmont	148	Magrath	434	1,247	Vauxhall	381	1,038
Claresholm	1,072	Mannville	330	650	Vegreville	1,463	3,930
Clyde	106	Mayerthorpe	371	1,050	Vermilion	1,074	2,980
Coaldale	1,175	McLennan	287	1,130	Veteran	130	280
Coalhurst	171	Milk River	338	812	Viking	491	1,200
Cochrane	401	Millet	214	600	Vulcan	528	1,422
Consort	263	Mirror	147	370	Wabamun	133	530
Crossfield	245	Mulhurst	129	280	Warburg	188	460
Delburne	189	Mundare	273	590	West Edson	154	1,060
Didsbury	663	Nampa	116	260	Whitecourt	945	3,750
Drayton Valley	1,149	Nanton	484	1,021	Wildwood	178	400



## NATURAL GAS SYSTEM

CANADIAN WESTERN NATURAL GAS COMPANY LIMITED

NORTHWESTERN UTILITIES LIMITED

MAJOR COMPANY PIPELINE

MAJOR COMPANY PIPELINE UNDER CONSTRUCTION

MAJOR PIPELINES OWNED BY OTHERS

## Customer Analysis

Customers	Communities	Pop.
1 — 25	38	2,228
26 — 100	74	11,298
101 — 250	63	27,190
251 — 500	33	33,751
501 — 1,000	17	38,038
1,001 — 5,000	23	132,382
5,001 — 15,000	4	121,466
100,000 — 125,000	2	897,239
Other		53,010
Total		1,316,602

# Canadian Western Natural Gas Company Limited

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Burns Foundation Limited  
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Senior Vice-President Finance,  
Canadian Utilities Limited  
**G. L. CRAWFORD, Q.C., Calgary**  
Barrister and Solicitor,  
McLaws & Company  
**R. N. DALBY, Edmonton**  
Consultant  
**E. W. KING, Edmonton**  
President,  
Canadian Utilities Limited  
**J. E. MAYBIN, Toronto**  
Chairman and Chief Executive Officer,  
Canadian Utilities Limited  
**J. E. O'CONNOR, Calgary**  
Manager,  
Calgary Associate Clinic  
**D. K. YORATH, Edmonton**  
Vice-Chairman,  
IU International Corporation

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Manning Egleston Lumber Company Limited

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Vice-President  
and General Manager  
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Vice-President —  
Rate Administration  
**D. L. WEISS**  
Vice-President —  
Gas Supply  
**G. Y. SOMMERVILLE**  
Controller  
and Assistant Secretary  
**P. R. LADOUCEUR**  
Assistant Controller  
**A. J. SMITH**  
Secretary  
**A. M. ANDERSON**  
Treasurer  
**D. E. PEARCE**  
Assistant Secretary

# Northwestern Utilities Limited

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Consultant  
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General Manager  
Lockerbie and Hole Western Limited  
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President  
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Chairman and Chief Executive Officer  
Canadian Utilities Limited  
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President  
McBain Camera Specialty Limited  
**J. L. SCHLOSSER, Edmonton**  
President  
Tri-Jay Investments Limited  
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Vice-Chairman  
IU International Corporation

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**J. H. PLETCHER**  
Senior Vice-President  
**B. M. DAFOE**  
Vice-President and General Manager  
**D. L. WEISS**  
Vice-President Gas Supply  
**G. Y. SOMMERVILLE**  
Secretary and Controller  
**A. M. ANDERSON**  
Treasurer  
**J. E. ROBERTS**  
Assistant Secretary

Canadian Utilities, through its subsidiaries, produces, transmits and distributes natural gas for residential, commercial and industrial uses. These operations account for approximately 80 per cent of the natural gas sold in Alberta during 1974. Services are provided throughout the province of Alberta and the company also serves Dawson Creek, British Columbia.

Operating subsidiaries are:

Canadian Western Natural Gas Company Limited provides natural gas service to 166,838 customers in southern Alberta. The service area extends from south of Red Deer to the U.S. Border.

Northwestern Utilities Limited provides natural gas service to 182,795 customers in central and northern Alberta.

Northland Utilities (B.C.) Limited provides natural gas service to 3,698 customers in Dawson Creek and area, British Columbia.

	1974		1973	
	Billions of cubic feet	Per cent of total	Billions of cubic feet	Per cent of total
Residential	64	26	62	26
Commercial	65	27	68	28
Industrial	113	47	110	46
	242	100	240	100

The principal natural gas markets are Edmonton, Calgary, Dawson Creek, B.C., Lethbridge, Red Deer, Grande Prairie, Camrose and Wetaskiwin which have a combined population of 1,061,904. Also served are 246 smaller communities with a population of about 254,708. In addition many rural areas are provided with natural gas service.

A total of 353,331 customers were served by the company at year-end 1974.

The company's extensive natural gas production, transmission and distribution systems consist of approximately 315 miles of field gathering lines, 2,861 miles of transmission lines and 7,313 miles of distribution mains.

Canadian Utilities purchases the major portion of its supplies of gas: from oil fields where solution gas, extracted in conjunction with oil production, is gathered and processed; gas fields from which wet gas is gathered and centrally processed before delivery to pipelines; dry gas fields from which gas can be introduced almost directly into pipelines. Canadian Utilities owns gas producing properties which are a significant source of supply for peak requirements. In addition, volumes of gas are purchased from export companies and other natural gas pipeline companies.

The following table shows the related volumes of gas obtained from the various types of gas supply sources:

	1974	1973
	Per cent of total supply	Per cent of total supply
Oilfield and Gas Plants	48	53
Dry Gas Fields	27	24
Export Companies	19	16
Pipeline Companies	6	7
	100%	100%

above 16.7 cents per million BTUs. Large industrial customers are only partially shielded by the rebate program, therefore the cost of gas to these customers rose dramatically in 1974 and further increases are expected in 1975.

Canadian Utilities' geological staff estimates that at the end of 1974 Canadian Utilities controls under lease and contract 3,058 billion cubic feet at 1,000 BTU per cubic foot, from fields from which it produces or purchases natural gas; and that an additional 2,973 billion cubic feet will be available for purchase in the future from fields where the estimated gas producing life exceeds the term of the existing gas purchase contracts and from other non-committed fields. These reserves are exclusive of any amounts that may be purchased under agreements with the export companies referred to below.

In order to meet future requirements of the system, Canadian Utilities pursues a program of

## Gas Supply

The cost of the company's gas supply rose to \$40,179,000 in 1974 from \$35,907,000 in 1973. The 1974 cost does not include gas supply costs covered by the Provincial Government's Gas Rebate Plan which currently shields residential and commercial customers from natural gas costs

## Canadian Arctic Gas Study Limited

exploration, acquisition and development of additional gas properties, and continues its policy of contracting for the most economical supplies of gas from other companies. Notwithstanding the Alberta Government's policy that local consumers take priority over out-of-province demand for natural gas, Canadian Utilities feels it is advisable and advantageous to have additional major supplies at hand. For this reason Canadian Utilities has entered into agreements with four major export companies. TransCanada PipeLines Limited, Alberta and Southern Gas Co. Ltd.,

Consolidated Natural Gas Limited and Westcoast Transmission Company Limited, which enable Canadian Utilities to call these gas exporters for very large quantities of base-load and peak-load gas.

The company became a participant in Canadian Arctic Gas Study Limited on September 26, 1973. Membership indicates the interest of the company in establishing a long-term supply of natural gas for its customers and provides an option for investment in the company to be formed for operation of the proposed pipeline.

## Gas Franchises

In Edmonton, distribution is carried on under the authority of a franchise which is exclusive with respect to the distribution of natural gas for domestic and heating purposes and non-exclusive for manufacturing and power purposes. The franchise is perpetual subject to the right of the city of Edmonton, at the end of each five-year period, to purchase all of the company's assets within the city at the actual value thereof as a going concern plus 10 per cent. Actual value is to be determined by arbitration after allowances for deterioration and other proper items but without inclusion of any value for the franchise or value based on earnings. While the franchise gives the city the right of purchase every five years, the city has since 1935 granted renewals for 10-year periods, the last of which was granted in 1965.

In Calgary, distribution is carried on under the authority of a municipal bylaw. The rights of the company under this bylaw, while not exclusive are

unrestricted as to time. The bylaw does not confer any rights on the city of Calgary to acquire the facilities used in providing the service.

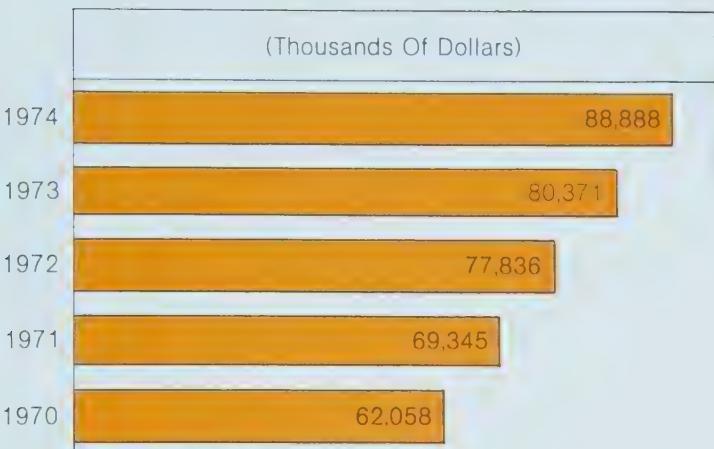
In Lethbridge, Red Deer and Grande Prairie the company operates under the authority of franchises which expire in 1980, 1977 and 1976 respectively. The franchises under which service is provided in other incorporated communities have been granted for periods of up to 20 years. These franchises are exclusive to the company and are renewable by agreement for further periods not exceeding 10 years each. If not renewed the municipality may purchase the facilities used in connection with the franchise at a price to be agreed upon or, failing agreement, to be established by the Alberta Public Utilities Board or other regulatory authority having jurisdiction.

## Energy Resources Conservation Board

The Alberta Statutes under which it operates charge the Energy Resources Conservation Board with certain energy resource management and environmental management functions with regard to oil, gas, oil sands, pipe lines, hydro and electric energy and coal. The energy resource management functions include appraisal of reserves, regulation of exploration, development, pipe lines and transmission lines, insurance of safety, prevention of waste, protection of correlative rights, appraisal of productive capacity,

appraisal of Alberta requirements, appraisal of markets outside Alberta, the recording and publishing of statistics, and advising of the government. The environment management functions are carried out with reference to and in consultation with the Department of Environment and include the regulation in the energy resource sector of land use, surface water use, subsurface water use, land contamination, surface water pollution, subsurface water pollution, and atmosphere pollution.

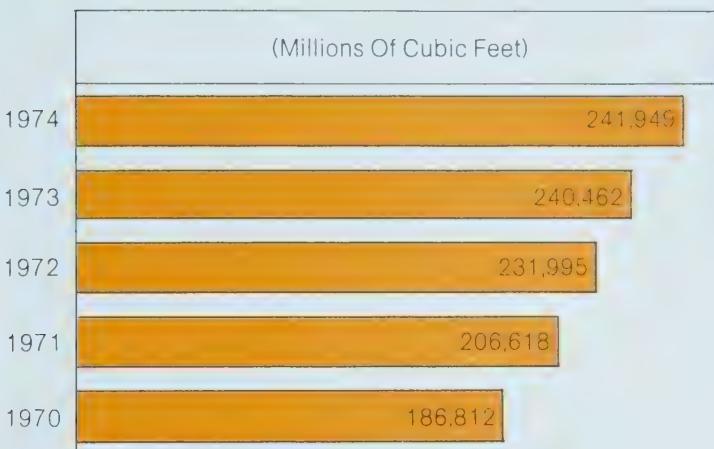
## Revenues



Residential	Commercial	Industrial	Other	Total	Average Revenue c/m cu. ft.
36,503 41%	24,245 27%	27,043 31%	1,097 1%	88,888 100%	36.74
34,034 42%	22,511 28%	22,888 29%	938 1%	80,371 100%	33.42
34,123 44%	22,656 29%	20,278 26%	779 1%	77,836 100%	33.55
30,932 45%	20,201 29%	17,556 25%	656 1%	69,345 100%	33.56
28,207 45%	18,669 30%	14,642 24%	541 1%	62,058 100%	33.22

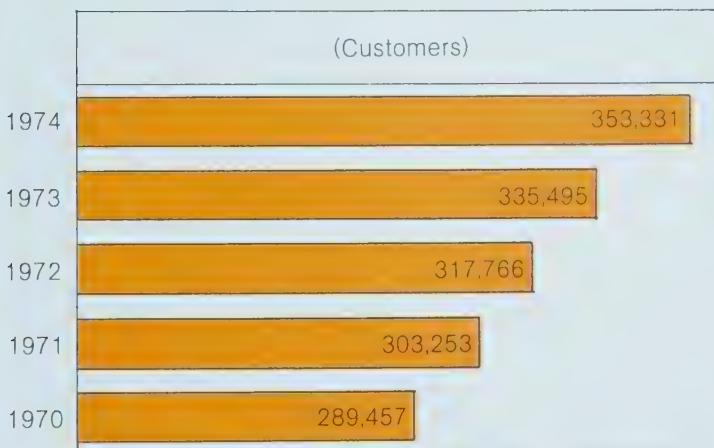
In the chart above, natural gas revenues include only those resulting directly from the sale of natural gas. Natural gas revenues per financial statements include other miscellaneous operating revenues.

## Sales



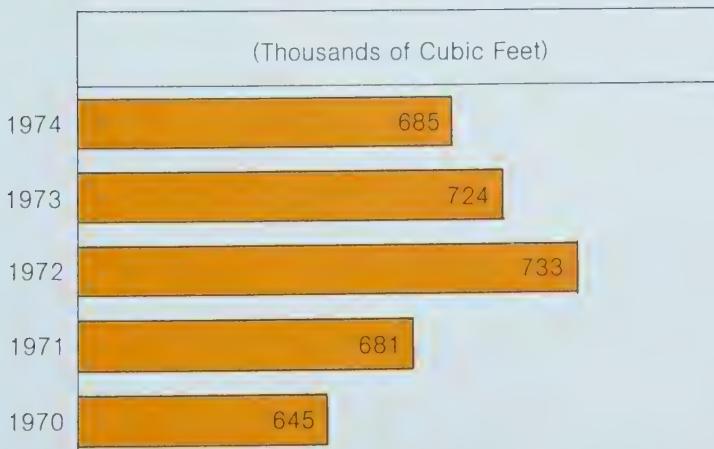
Residential	Commercial	Industrial	Other	Total
64,051 26%	64,622 27%	107,081 44%	6,215 3	241,949 100%
61,934 26%	61,657 26%	110,930 46%	5,941 2	240,462 100%
63,656 27%	62,244 27%	101,053 44%	5,042 2	231,995 100%
57,472 28%	55,691 27%	89,153 43%	4,302 2	206,618 100%
54,913 30%	52,877 28%	74,970 40%	4,052 2	186,812 100%

## Natural Gas Customers



Residential	Commercial	Industrial	Total
317,535 89.9%	35,286 10.0%	510 0.1%	353,331 100%
301,084 89.7%	33,874 10.1%	537 0.2%	335,495 100%
284,764 89.6%	32,513 10.2%	489 0.2%	317,766 100%
271,416 89.5%	31,377 10.3%	460 0.2%	303,253 100%
258,944 89.4%	30,074 10.4%	439 0.2%	289,457 100%

## Average Per Customer



Residential	Commercial	Industrial	Total
202	1,831	208,882	685
206	2,017	209,864	724
230	1,969	208,000	733
212	1,912	194,000	681
212	1,896	171,000	645

## Natural Gas Statistics

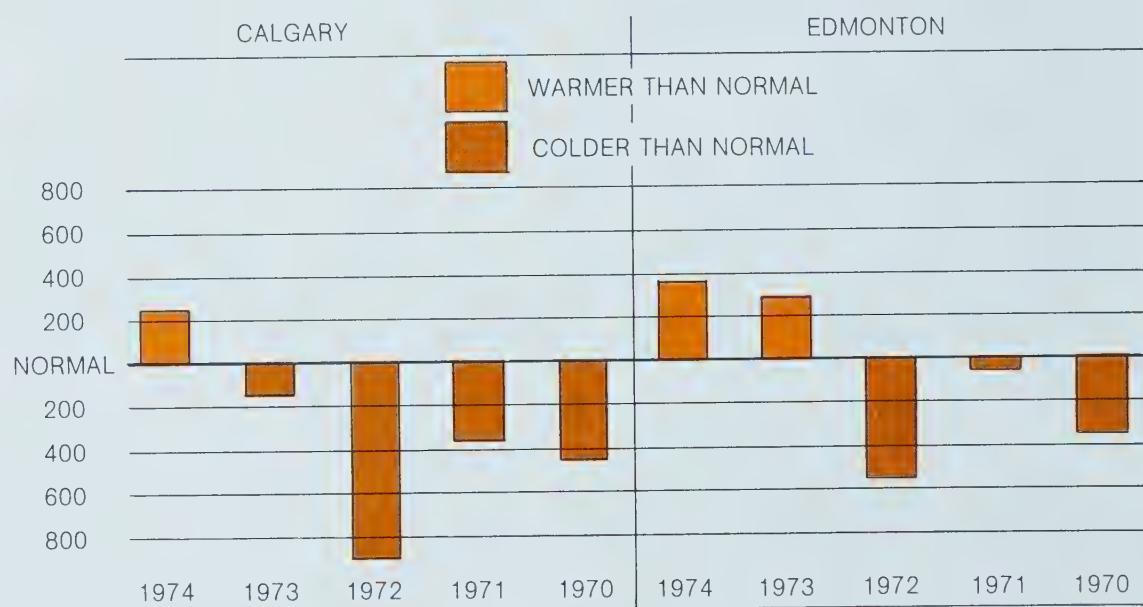
	1974	1973	1972	1971	1970
System load factor (per cent)	56	61	58	52	52
Gross plant additions (\$000)	26,963	16,611	16,879	10,876	12,280
Gross plant (\$000)	277,922	252,106	237,682	221,757	211,894
Miles of pipe lines	10,489	9,837	9,439	9,166	8,753
Maximum daily demand (millions of cubic feet)	1,176	1,092	1,106	1,090	986

## Degree Days

Degree days are commonly used to measure the coldness of weather experienced and are defined as the number of degrees by which daily mean temperatures fall below 65 degrees fahrenheit. One degree day is counted for each degree of deficiency for each day on which a deficiency

occurs. For example when the mean temperature for a day is 40 degrees F then 25 degree days of heat are required. As a consequence, the fewer number of degree days occurring during the heating season, the less fuel consumption necessary to heat homes and offices.

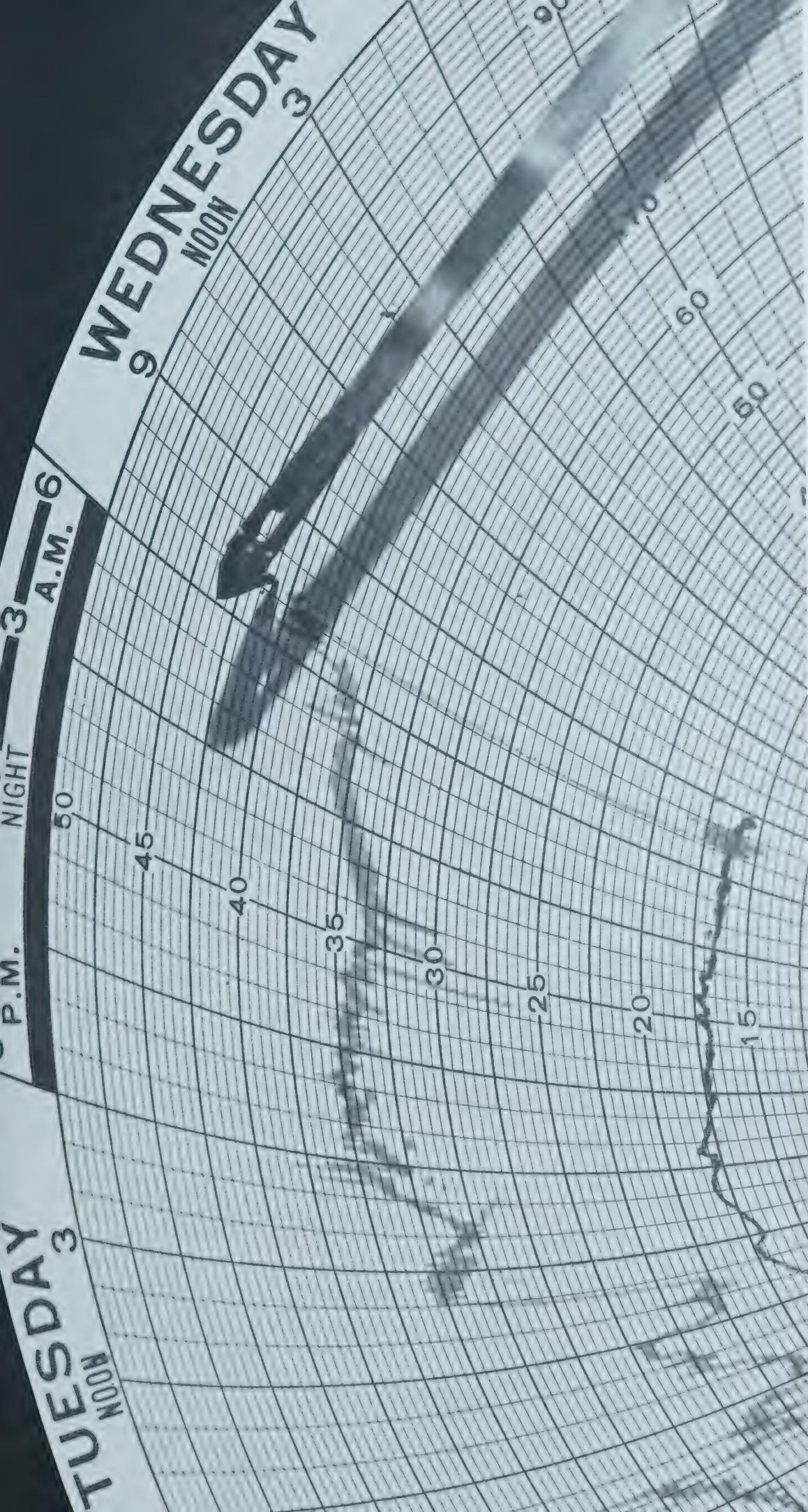
## Annual Degree Days



Normal — 9633 Degree Days

Normal — 10,277 Degree Days

Year	Degree Days	Colder or Warmer ()		Year	Degree Days	Colder or Warmer ()	
		Than Normal	Number			Than Normal	Number
1974 —	9,414	(219)	(2.3)	1974 —	9,885	(392)	(4.0)
1973 —	9,771	138	1.4	1973 —	9,968	(309)	(3.1)
1972 —	10,751	1,118	10.4	1972 —	10,850	573	5.3
1971 —	9,958	325	3.3	1971 —	10,326	49	0.5
1970 —	10,043	410	4.1	1970 —	10,619	342	3.2



	1970	1971	1972	1973	1974	1975	1976	1977	1978	Forecast
<b>TOTAL NET GENERATING CAPABILITY</b> (thousands of kilowatts)										
Alberta	2,647	2,648	2,764	3,372	3,393	3,891	4,444	4,801	4,972	
CANADA	41,322	44,816	47,407	53,807	57,295	59,453	66,192	70,121	72,569	
<b>FIRM POWER PEAK LOAD</b> (thousands of kilowatts)										
Alberta	1,894	2,069	2,219	2,339	2,771	3,047	3,356	3,669	4,005	
CANADA	34,447	35,720	38,823	42,699	46,540	49,391	52,932	56,758	60,625	
<b>FIRM ENERGY REQUIREMENTS</b> (millions of kilowatt-hours)										
Alberta	9,729	10,838	12,245	13,538	14,829	16,911	18,795	20,691	22,684	
CANADA	199,686	210,007	226,390	242,806	265,395	287,034	308,011	329,024	351,964	
<b>INDICATED RESERVES</b> (expressed as per cent on firm power peak load)										
Alberta	36.8	26.7	23.8	44.2	22.4	27.4	32.2	30.6	23.9	
CANADA	19.1	23.9	20.5	24.8	22.1	20.0	23.9	22.4	18.7	

Source: Statistics Canada No. 54-204

## ELECTRIC SALES TO ULTIMATE CUSTOMERS BY PROVINCE 1968 to 1973

Thousands of KWH

Electric  
Data

Province or Territory		Residential & Farm	Commercial & Lighting	Industrial	Total
Maritimes, Yukon	1969	2,082,364	1,790,313	3,730,594	7,603,271
	1970	2,321,644	2,066,817	4,274,160	8,662,621
	1971	2,599,994	2,291,534	4,983,585	9,875,113
	1972	3,064,643	2,553,611	5,219,086	10,837,340
	1973	3,395,329	2,872,021	6,190,155	12,240,392
Quebec	1969	11,100,974	7,393,609	21,710,540	40,205,123
	1970	11,908,387	7,446,704	24,331,684	43,686,775
	1971	12,672,268	9,877,669	22,314,388	44,864,325
	1972	14,121,311	11,709,046	25,354,541	51,184,898
	1973	15,138,044	12,012,564	28,646,335	55,796,943
Ontario	1969	14,133,637	8,084,247	25,394,312	47,612,196
	1970	14,405,574	8,352,256	25,833,641	48,591,471
	1971	15,886,350	10,435,263	27,313,867	53,635,480
	1972	17,558,983	11,182,082	29,291,236	58,132,301
	1973	17,599,117	12,250,253	32,354,805	62,204,175
Manitoba	1969	2,240,555	1,159,488	3,134,751	6,534,794
	1970	2,398,003	1,321,862	3,500,458	7,220,323
	1971	2,553,495	1,459,499	3,837,804	7,830,798
	1972	2,750,804	1,634,297	2,981,324	8,366,425
	1973	2,846,546	1,748,370	4,332,017	8,926,933
Saskatchewan	1969	1,501,123	493,510	2,066,538	4,061,171
	1970	1,576,378	484,308	2,273,130	4,333,816
	1971	1,656,657	543,696	2,428,785	4,629,138
	1972	1,823,235	520,098	2,812,306	5,155,639
	1973	1,872,365	533,567	3,383,369	5,789,301
Alberta	1969	2,067,227	1,622,499	3,222,822	6,912,548
	1970	2,205,102	1,796,286	3,691,684	7,693,072
	1971	2,462,274	1,961,087	4,283,720	8,707,081
	1972	2,627,847	2,090,382	5,187,956	9,906,185
	1973	2,864,795	3,045,261	5,274,213	11,184,270
British Columbia	1969	3,893,015	2,890,081	4,713,563	11,496,659
	1970	4,385,447	3,223,697	4,819,495	12,428,639
	1971	4,760,885	3,557,258	5,586,728	13,904,871
	1972	5,186,103	3,897,454	7,286,119	16,389,676
	1973	5,594,183	4,658,729	8,665,413	18,918,325
CANADA	1969	37,018,895	23,433,747	63,973,120	124,425,762
	1970	39,200,535	24,691,930	68,724,252	132,616,717
	1971	42,571,923	30,126,006	70,748,877	143,446,806
	1972	47,132,926	33,586,970	79,232,568	159,952,464
	1973	49,355,820	37,186,466	88,981,208	175,523,494

Source: Statistics Canada Publications No. 57-001

## Gas Data

### CANADIAN ENERGY CONSUMPTION FROM PRIMARY SOURCES (Trillions of B.T.U.'s)

PRIMARY SOURCES	1960	1965	1970*	1971*	1972*	1973*
Petroleum	1,667.6	2,216.2	2,836.2	2,963.3	3,231.8	3,256.9
Natural Gas	381.5	746.5	1,250.3	1,343.2	1,530.4	1,638.1
Coal and Coke	555.5	643.9	708.8	727.0	706.0	635.3
Hydro Electricity	347.1	402.8	531.9	543.9	579.6	612.9
Nuclear Electricity	—	0.4	3.3	13.6	23.0	48.6
<b>TOTAL</b>	<b>2,951.7</b>	<b>4,009.8</b>	<b>5,330.5</b>	<b>5,635.0</b>	<b>6,070.8</b>	<b>6,191.8</b>

\*Preliminary

### CANADIAN ENERGY CONSUMPTION FROM PRIMARY SOURCES (Percentage)

PRIMARY SOURCES	1960	1965	1970*	1971*	1972*	1973*
Petroleum	56.5	55.3	53.2	53.0	53.2	52.6
Natural Gas	12.9	18.6	23.4	24.0	25.2	26.4
Coal and Coke	18.8	16.1	13.3	13.0	11.6	10.3
Hydro Electricity	11.8	10.0	10.0	9.7	9.6	9.9
Nuclear Electricity	—	0.0	0.1	0.3	0.4	0.8
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\*Preliminary

Source: National Energy Board

NATURAL GAS UTILITY SALES BY PROVINCES  
 WITH A HEAT CONTENT OF 1,000 BTU PER CUBIC FOOT, 1968 - 1973  
 (Million Cubic Feet)

Gas Data

PROVINCE		RESIDENTIAL	COMMERCIAL	INDUSTRIAL	TOTAL
New Brunswick	1968	48	28	—	76
	1969	41	28	—	69
	1970	40	35	—	75
	1971	40	48	—	88
	1972	38	37	—	75
	1973	24	37	—	61
Quebec	1968	12,298	5,561	26,971	44,830
	1969	13,410	6,421	31,893	51,724
	1970	14,858	6,886	29,721	51,465
	1971	14,481	7,273	34,398	56,152
	1972	16,622	7,825	34,309	58,756
	1973	15,898	9,344	39,289	64,531
Ontario	1968	93,577	58,592	160,224	312,393
	1969	98,579	72,446	187,963	358,988
	1970	104,972	82,907	224,829	412,708
	1971	106,588	94,734	264,708	466,030
	1972	118,256	114,940	324,971	558,167
	1973	112,545	117,773	352,923	583,241
Manitoba	1968	17,914	12,468	15,287	45,669
	1969	18,532	13,933	15,477	47,942
	1970	20,338	15,662	16,267	52,267
	1971	20,883	16,454	18,375	55,712
	1972	22,911	18,225	19,185	60,321
	1973	21,391	17,649	23,675	62,715
Saskatchewan	1968	21,104	11,976	48,893	81,973
	1969	22,069	12,277	44,740	79,086
	1970	22,025	12,435	44,365	78,825
	1971	22,435	12,864	46,572	81,871
	1972	24,749	13,942	48,395	87,086
	1973	23,545	13,637	55,002	92,184
Alberta	1968	52,934	45,551	113,261	211,746
	1969	59,085	50,870	128,138	238,093
	1970	60,446	54,901	128,925	244,272
	1971	63,729	58,614	139,576	261,919
	1972	70,708	65,316	147,196	283,220
	1973	68,324	64,090	162,232	294,646
British Columbia	1968	23,607	14,626	52,484	90,717
	1969	26,735	17,604	48,736	93,075
	1970	28,674	19,390	53,063	101,127
	1971	29,736	23,165	53,170	106,071
	1972	33,891	27,167	61,837	122,895
	1973	35,305	27,987	91,690	154,982
CANADA	1968	221,482	148,801	417,120	787,404
	1969	238,451	173,579	456,947	868,977
	1970	251,353	192,216	497,170	940,739
	1971	257,892	213,152	556,799	1,027,843
	1972	287,175	247,452	635,893	1,170,520
	1973	277,032	250,517	724,811	1,252,360

Source: Statistics Canada

PROVINCE		RESIDENTIAL	COMMERCIAL	INDUSTRIAL	TOTAL
New Brunswick	1960	2,978	10	—	2,988
	1965	2,187	—	—	2,187
	1970	1,525	55	—	1,580
	1971	1,310	45	—	1,355
	1972	1,060	40	—	1,100
	1973	800	40	—	840
Quebec	1960	219,677	11,983	1,262	232,922
	1965	206,618	9,791	2,328	218,737
	1970	201,582	10,092	1,921	213,595
	1971	196,065	10,083	1,804	207,952
	1972	187,012	9,981	1,447	198,440
	1973	182,869	10,257	1,470	194,596
Ontario	1960	469,503	38,570	4,621	512,694
	1965	631,694	52,421	6,721	690,836
	1970	746,724	72,001	8,949	827,674
	1971	773,455	75,633	9,488	858,576
	1972	809,470	79,574	9,618	898,662
	1973	846,113	86,349	11,201	943,663
Manitoba	1960	38,838	3,349	224	42,411
	1965	86,983	7,841	261	95,085
	1970	117,356	11,402	327	129,085
	1971	123,172	11,826	328	135,326
	1972	129,809	12,468	323	142,600
	1973	135,145	12,690	311	148,146
Saskatchewan	1960	64,958	6,655	394	72,007
	1965	101,121	13,331	545	114,997
	1970	127,441	17,463	663	145,567
	1971	132,625	18,293	690	151,608
	1972	138,599	19,082	690	158,371
	1973	145,386	19,775	698	165,859
Alberta	1960	189,903	19,800	605	210,308
	1965	233,687	26,323	563	260,573
	1970	286,909	32,534	630	320,073
	1971	301,094	34,133	656	335,883
	1972	316,878	35,709	687	353,274
	1973	335,288	37,249	760	373,297
British Columbia	1960	113,591	15,768	430	129,789
	1965	165,036	21,195	893	187,124
	1970	222,491	29,351	392	252,234
	1971	236,024	30,879	431	267,334
	1972	252,958	33,263	427	286,648
	1973	269,965	34,313	411	304,689
CANADA	1960	1,099,448	96,135	7,536	1,203,119
	1965	1,427,326	130,902	11,311	1,569,539
	1970	1,704,028	172,898	12,882	1,889,808
	1971	1,763,745	180,892	13,397	1,958,034
	1972	1,835,786	190,117	13,192	2,039,095
	1973	1,915,566	200,673	14,851	2,131,090

Source: Canadian Gas Association

## SALES OF NATURAL GAS PER CUSTOMER, 1960 - 1973

## Gas Data

PROVINCE	SALES PER CUSTOMER					
	1960	1965	1970	1971	1972	1973
	THOUSAND CUBIC FEET					
<b>RESIDENTIAL</b>						
N.B.	26	27	21	23	25	21
Quebec	20	47	72	72	87	87
Ontario	94	127	138	139	149	135
Manitoba	144	173	175	169	180	161
Sask.	177	208	177	174	186	169
Alberta	198	229	204	206	217	201
B.C.	98	106	123	124	134	130
<b>CANADA</b>	<b>103</b>	<b>135</b>	<b>145</b>	<b>146</b>	<b>157</b>	<b>145</b>
<b>COMMERCIAL</b>						
N.B.	446	—	534	646	656	716
Quebec	119	282	672	716	787	919
Ontario	379	724	1,160	1,275	1,478	1,409
Manitoba	854	1,335	1,387	1,412	1,496	1,400
Sask.	809	782	729	730	764	712
Alberta	1,286	1,420	1,640	1,669	1,777	1,693
B.C.	241	294	653	738	833	803
<b>CANADA</b>	<b>557</b>	<b>803</b>	<b>1,106</b>	<b>1,179</b>	<b>1,316</b>	<b>1,262</b>
<b>INDUSTRIAL</b>						
N.B.	—	—	—	—	—	—
Quebec	5,477	8,107	14,962	18,389	20,943	26,806
Ontario	11,018	16,026	25,714	28,145	33,509	34,514
Manitoba	15,560	35,526	50,351	56,631	59,353	75,054
Sask.	47,318	51,090	68,300	68,571	70,479	79,880
Alberta	145,235	140,074	149,791	145,436	144,668	137,720
B.C.	32,030	42,466	138,392	119,917	135,176	209,896
<b>CANADA</b>	<b>22,935</b>	<b>25,657</b>	<b>38,129</b>	<b>40,381</b>	<b>45,671</b>	<b>50,271</b>
<b>TOTAL</b>						
N.B.	27	26	38	49	48	52
Quebec	53	143	236	264	291	333
Ontario	212	326	501	549	633	629
Manitoba	330	367	408	418	432	430
Sask.	471	525	555	557	574	578
Alberta	673	682	746	761	783	777
B.C.	211	322	395	391	429	508
<b>CANADA</b>	<b>279</b>	<b>375</b>	<b>495</b>	<b>524</b>	<b>578</b>	<b>592</b>

Source: Canadian Gas Association

Notes



